

DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIODS 2012/2013 – 2014/2015

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Report by : Municipal Manager
Compiled by : Chief Financial Officer
Delegated Authority : COUNCIL

PURPOSE OF REPORT

The purpose of this report is three fold:-

- (a) For the Mayoral Committee to consider the draft medium term revenue and expenditure framework for 2012 - 2015, the prescribed annexures, property tax increases, tariffs and tariff structures and proposed amendments to the budget and related policies in terms of section 17 (1) - (3) of the Municipal Finance Management Act (Act 56 of 2003); and
- (b) The Executive Mayor to table the draft budget (inclusive of property rates charges and taxes, tariffs and service charges), annexures and proposed amendments to the budget related policies and other policies to Council for approval in terms of Section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003).
- (c) That Council specifically note and consider the need to take up an external loan to fund the extension of the Head Office complex and critically needed refurbishment of infrastructure to the tune of R 134,8 Million of which R69,1 million will be required in year 2 and R65,7 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms draft approval of same in order for the Chief Financial Officer to attend to the necessary legislative requirements.

BACKGROUND

Section 16(2) of the MFMA stipulates that the mayor of the municipality must table the draft annual budget at a council meeting at least 90 days before the start of the financial year. By implication this means that the budget must be provisionally approved by 30 March, where after it must be submitted to the relevant government departments and advertised for public/stakeholder comment.

DISCUSSION

The 2012 Budget Review published by National Treasury notes that the South African economy has demonstrated resilience despite unsettled international economic conditions. Global developments are likely to hold back higher growth over the short term, resulting in gross domestic product (GDP) growth being expected to slow from 3.1% in 2011 to 2.7% in 2012.

While the South African economy is in a gradual recovery phase, the effects of the economic challenges experienced over the past three years still linger and continue to place pressure on the finances of the average consumer (levels of disposable income and savings). The knock-on effect of this pressure is that it typically results in greater difficulties for the municipality with regard to revenue collection, which directly affects not only the municipality's ability to deliver services, but also to budget accurately for such service delivery in the short and medium term.

As a result of excellent financial discipline, Stellenbosch Municipality entered the recession with a healthy financial position and has taken the theme of "Driving efficiencies – doing more with less" to heart. The municipality not only maintained its healthy financial position, but improved its already outstanding liquidity position. This resulted in the municipality being rated best in the Western Cape Province and second(2nd) in South Africa according to a Municipal Financial Stability Index Rating performed by Local Government Ratings Firm, Ratings Afrika. The rating included evaluation at the municipality's liquidity position, extent of external borrowing, spending on employee costs, and financial performance (payment collection rates and affordability of services) by analyzing the audited annual financial statements.

Using the Integrated Development Plan as the guiding strategic document informing budget compilation, the requirement of “modern infrastructure” was addressed during the compilation of the annual budget in a bid to ensure the sustainable delivery of services as envisaged in our Constitution. The challenge however is still to deliver services more efficiently and effectively within a tight financial resource envelope.

The financial resources to fund the Operational Budget will and must consist of realistically anticipated revenue generated from property taxes, service charges and other income. We were however mindful of estimated headline inflation for 2012/2013 of around 5.9%, forming the basis of the extensive income modelling exercise, having cognisance of the principles of economical services being cost reflective, trading services generating surpluses, the effect of escalating salary costs and bulk purchases. The latter amongst other, formed the basis of what was required to deliver sustainable services at appropriate levels to our communities, the financial requirements to service infrastructure assets balanced against realistic and affordable tariffs (anticipated revenue).

This budget is based on the above guiding principles and all main services except electricity are within acceptable norms. A further constraint on the already tight resource envelope is the ability of all consumers to pay for services rendered, as the high unemployment rate and effects of the economic recession are still felt throughout the community of the Greater Stellenbosch Area. We are going to have to manage our limited resources smarter and investigate and expand on other financial resources.

A report by the Accounting Officer in line with the budget and reporting regulations is attached as **APPENDIX 1 – PART 1 – SECTION B**. The report serves as an overview of the budget, budget assumptions used as well as technical detail on funding sources and income streams to ensure that the strategic principle of a fully funded budget is real.

DRAFT CAPITAL BUDGET 2012/2013 – 2014/2015

Although the draft capital budget is infrastructure orientated and addresses the urgent need to upgrade/refurbish Council's infrastructure as addressed by the different master plans, it does however speak to the IDP (Integrated Development Plan) and the needs of the community. Council's attention is however drawn to the fact that not all needs identified by the community can realistically be funded by the municipality

The capital needs (in the form of financial resources) as identified by the various directorates far exceeds our own limited financial resources and can not be fully financed from our own reserves (CRR). From a prudent perspective and to ensure continued financial viability, an amount of R 78 774 000 was identified as funding available from the Capital Replacement Reserve (CRR) for 2012/2013.

The detailed draft capital budget for 2012/2013, 2013/2014 and 2014/2015 is attached as **APPENDIX 1 – PART 2 – SECTION N.**

DRAFT OPERATING BUDGET 2012/2013 – 2014/2015

The basis of the operating budget is aligned to the principle of total potential income (less income forgone as an expense where applicable) from all our services as well as a projection of total direct income. The extent, to which tariffs and levies are proposed to increase, is in the main influenced by:

- The increase in bulk purchases (water and electricity)
- Salary costs
- Service delivery challenges
- Repairs and maintenance
- The socio economic conditions of the community
- The projected growth of the Greater Stellenbosch Area

Taking all of these issues into consideration and to ensure the sustainability of our operations from realistically anticipated income flows, the following tariff increases are proposed for 2012/2013:

Rates	5.90%
Electricity	11.03%
Sanitation	9.50%
Refuse removal	8.50%
Water	6.00%

Council's attention is further drawn to the fact that the proposed electricity tariff was prescribed at 11.03% whereas the increase in electricity bulk purchases for the 2012/2013 financial year is 13.50% as approved by NERSA (National Electricity Regulator of South Africa) for implementation by all municipalities. This impacts negatively on the availability of funds for other infrastructure related expenditure projects.

Taking cognizance of the plight of the poor and the affordability of basic services, the scale of 0 – 6 kl of water was increased with only 4.5% and the scale of 7 – 20kl increases with 6.0%. The average tariff increase for other users is 6%. Usage over 40 kl(40 000 litres) for domestic consumers increases in proportion of consumption.

The impact of the proposed tariff increases on the monthly services account for the various consumer categories is summarized in **APPENDIX 2**.

HIGH LEVEL CAPITAL AND OPERATING BUDGET FOR 2012/2013 – 2014/2015

The draft high level budget depicting the total budget is attached as **APPENDIX 1 – PART 1 - SECTION C**.

TARIFFS

Council's attention is further drawn to the fact that the Tariff List attached as **APPENDIX 3** includes Sundry Tariffs as a basket of services and charges, i.e. Land Use Management Fees, Development contributions, Technical Charges, etc. In this regard, the proposed tariff list must be consulted for the detail.

BUDGET RELATED POLICIES

The following proposed amendments to the budget and related policies are attached for consideration and tabling:

Funding and Reserves Policy - New (**APPENDIX 4**)

Borrowing Policy – New (**APPENDIX 5**)

Special Ratings Area Policy – New (**APPENDIX 6**)

Rates Policy - Revised (**APPENDIX 7**)

Supply Chain Management Policy – Revised (**APPENDIX 8**)

Budget Implementation and Monitoring Policy – Revised (**APPENDIX 9**)

Travel and Subsistence Policy – Revised (**APPENDIX 10**)

Indigent Policy – Revised (**APPENDIX 11**)

Credit Control and Debt Collection Policy – Revised (**APPENDIX 12**)

Petty Cash Policy – Revised (**APPENDIX 13**)

Cash Management and Investment Policy – Revised (**APPENDIX 14**)

Non-Financial Asset Management Policy – Revised (**APPENDIX 15**)

Accounting Policy – Revised (**APPENDIX 16**)

Grants-in Aid Policy – Revised (**APPENDIX 17**)

Irrecoverable Debt Policy – Unchanged (**APPENDIX 18**)

Tariff Policy – Unchanged (**APPENDIX 19**)

Development Contribution Policy - Unchanged (**APPENDIX 20**)

OTHER SUPPORTING DOCUMENTATION

The additional information as prescribed by the budget and reporting regulations are attached as **APPENDIX 1 – PART 2 – SECTION P**.

IT IS RECOMMENDED:

- (a) that the Draft High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C** (page 9); be approved for public release;
- (b) that the Draft Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D** (pages 10-37), be approved for public release;
- (c) that the three year Draft Capital Budget for 2012/2013, 2013/2014 and 2014/2015, as set out in **APPENDIX 1 – PART 2 – SECTION N** (pages 63-75r) be approved for public release;

- (d) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3** , be approved for public release;
- (e) that the proposed amendments to existing budget related policies and other policies as set out in **APPENDICES 4 - 20**, be approved for public release.
- (f) that Council specifically note the need to take up an external loan to fund the extension of the Head Office complex and critically needed refurbishment of infrastructure to the tune of R 134,8 Million of which R69,1 million will be required in year 2 and R65,7 million in year 3 (refer to Section G: High Level Budget Overview and Table A1 Budget Summary) and confirms draft approval of same.

EXECUTIVE MAYOR'S FOREWORD

The Medium Term Revenue and Expenditure Framework for the financial period 2012/2013 to 2014/2015 highlight not only the challenges but also the opportunities which exist for Stellenbosch Municipality.

I know that it will never be an easy ride in unsettling international economic climate, but we have tried to ensure that the budget that is to be tabled reflects our sensitivity in dealing with not only sound financial management but also the important task of delivering services to all of the people of the Greater Stellenbosch area.

While I am proud to mention that the municipality has been rated as the best in the Western Cape and second (2nd) in South Africa according to Ratings Afrika and are aiming to be amongst the best globally, we have not forgotten the needs of all of the people in our municipal area. We are here after all to deliver basic local government services.

The budget is presented against the milieu of a stable political and administrative institution. Another unqualified audit report during the past year is an indication that we have sound financial systems which help us spend tax payers' monies in a responsible manner. In supporting the financial systems, we have established a clear audit plan and have approved an Anti Fraud and Corruption Policy and an Anti Fraud and Corruption Hotline. These are all measures which will ensure a good return of investment to you, the taxpayer.

As a non-financial person, I find that it is a futile exercise to read figures without knowing how the funds will be applied. It is therefore important that the budget be viewed in relation to our key strategic goals. The budget should be aligned to the key strategic goals of the municipality's Integrated Development Plan. We are however still grappling with perfecting this alignment. The key strategic goals include:

- ✓ A leader in governance, partnership and citizen participation (e.g. partnerships, citizen engagement, etc)
- ✓ A skilled and customer focused administration (e.g. customer care, accessible service centres, etc)
- ✓ Sound municipal financials (e.g. prudent expenditure control, alignment between the budget and strategy, etc)
- ✓ A treasured, protected environment (e.g. conservation, environmental management, etc)
- ✓ Responsible spatial and development management (e.g. preserving our heritage, building development management, etc)

- ✓ Fostering opportunity for enterprise, creativity and business development (e.g. local economic development, sector support, etc)
- ✓ Dignified living (e.g. housing, area cleaning, etc)
- ✓ Efficient infrastructure and services (e.g. water, electricity, etc) and
- ✓ A safe town (e.g. traffic, law enforcement, etc)

Whilst it was important to keep services as affordable as possible we were forced to increase tariffs due to higher operational costs. Our operating budget revenue will increase by 7.3% and this is mainly achieved through raising tariffs – rates, electricity, water, sewerage and refuse removal which will increase between 5.9 % and 11.03%.

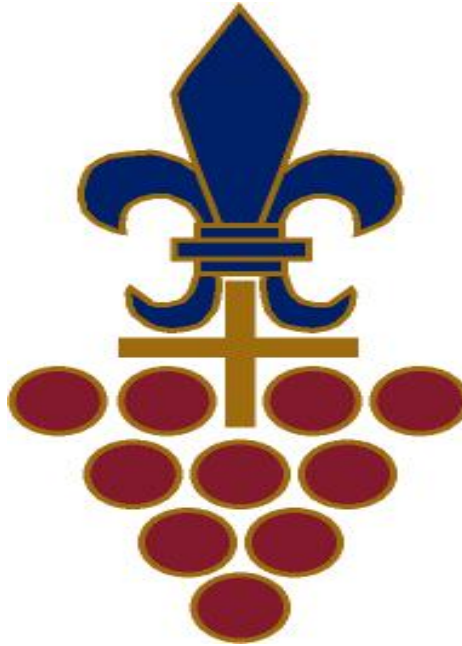
The capital budget decreased from R210 103 557 in 2011/2012 to R185 743 691 in 2012/2013. This trend is in line with more realistic expenditure projections and the fact that many of the bigger phases of capital infrastructure projects have already been completed.

The total budget quantum for the 2012/2013 year is R1 074 120 607, of which R888 376 916 (82.71%) is allocated to the operating budget and R185 743 691 (17.29%) to capital investment. I should however state that possible changes to the organisation's macro structure might in fact change some of the detail in the budget will not change the bottom line (total budget).

Importantly, we continue to focus on basic service delivery, which is the core function of any municipality, with 74.8% of our capital budget being ring fenced for this purpose. Planning and Development which includes the provision of housing will receive 20% of the capital budget.

Lastly, creating a budget which speaks to the needs of our people is very difficult but also not enough. We need to go the extra mile and were inspired when we arrived at the following values for the organisation: integrity, accountability, respect, excellence and innovation. We are also hard at work at inspiring staff and our communities to creating a culture where we experience a dramatic mindshift in making things happen.

STELLENBOSCH MUNICIPALITY



MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL PERIOD 2012/2013 TO 2014/2015

Vision:

We describe the vision of where we want to be as a municipality and the Greater Stellenbosch area as:

“Greater Stellenbosch: ...”

This means that we will work to establish the Greater Stellenbosch area as:

- *A sustainable municipality that offers a future to our children and their children.*
- *A dignified municipality that is tolerant, non-racist and non-sexist.*
- *An accessible municipality that extends the benefits of urban society, our history, institutions, and enterprises to all and builds the capacity of its people.*
- *A credible municipality that is well governed and trusted by its citizens and partners.*
- *A competent municipality with appropriate skills to deliver needed services, associated capabilities and a competitive edge and learning culture.*
- *A safe and caring municipality that cares for its citizens and values the safety and security of all who live, work, and play in it.*
- *A prosperous municipality known for its ability to compete globally and its commitment to tackle issues facing its broader region and world.*
- *A municipality known for its leadership, willingness and commitment to work in partnership with others.*

Mission:

It is our mission to offer the people of the Greater Stellenbosch area:

- *Trustworthy, accountable, efficient and transparent municipal governance.*
- *Responsible decision-making and processes on the allocation of public money and resources.*
- *Dignified and meaningful engagement with municipal structures and service areas.*
- *Opportunities to help shape the future of the municipality.*
- *The opportunity to benefit from national, provincial and local partnerships and cooperation.*
- *Equitable, affordable and sustainable municipal services.*
- *Fair access to the benefits of urban society and capacity building opportunities.*
- *The opportunity to contribute to global, national, provincial, regional, and local economic growth and development.*

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PART 1

A: RESOLUTIONS

It is recommended to Council,

- (a) that the Draft High Level Budget Summary, as set out in **APPENDIX 1 – PART 1 – SECTION C** (page 9); be approved for public release;
- (b) that the Draft Annual Budget Tables as prescribed by the Budgeting and Reporting Regulations, as set out in **APPENDIX 1 – PART 1 – SECTION D** (pages 10-37), be approved for public release;
- (c) that the three year Draft Capital Budget for 2012/2013, 2013/2014 and 2014/2015, as set out in **APPENDIX 1 – PART 2 – SECTION N** (pages 63-75) be approved for public release;
- (d) that the proposed draft rates on properties in WCO24, tariffs, tariff structures and service charges for water, electricity, refuse, sewerage and other municipal services, as set out in **APPENDIX 3**, be approved for public release;
- (e) that the proposed amendments to existing budget related policies and other policies as set out in **APPENDICES 4 - 20**, be approved for public release.
- (f) that council specifically note the need to take up an external loan to fund the extension of the Head Office complex and critically needed refurbishment of infrastructure to the tune of R 134,8 Million of which R69,1 million will be required in year 2 and R65,7 million in year 3 (refer to Section G: High Level Budget Overview and Table A1Budget Summary) and confirms draft approval of same.
- (g) that council consider, as envisaged by Section 19(2) of the Municipal Finance Management Act, the potential upward pressure on future tariffs as a result of the proposed approval of new capital projects, resulting in an additional operational expenditure requirement of around R12 million from the 3rd quarter of 2013/2014; and
- (h) that having carefully considered the above, the Mayor in consultation with the Portfolio Chairperson for Finance and the CFO, concluded that by reducing wastage, i.e. the Director: Engineering attending to the issue of water losses raised in the audit Report, in access of 2 billion litres of water, will result in additional revenues being available to fund such expenditure with no need to increase tariffs beyond what is proposed over the MTREF and accordingly seeks council's support in this regard.

B: EXECUTIVE SUMMARY

The 2012 Budget Review published by National Treasury notes that the South African economy has demonstrated resilience despite unsettled international economic conditions. Global developments are likely to hold back higher growth over the short term, resulting in gross domestic product (GDP) growth being expected to slow from 3.1% in 2011 to 2.7% in 2012.

While the South African economy is in a gradual recovery phase, the effects of the economic challenges experienced over the past three years still linger and continue to place pressure on the finances of the average consumer (levels of disposable income and savings). The knock-on effect of this pressure is that it typically results in greater difficulties for the municipality in terms of revenue collection, which directly affects not only the municipality's ability to deliver services, but also to budget accurately for such service delivery in the short and medium term.

As a result of excellent financial discipline, Stellenbosch Municipality entered the recession with a healthy financial position and has taken the theme of "Driving efficiencies – doing more with less" to heart. The municipality not only maintained its healthy financial position, but improved its already outstanding liquidity position. This resulted in the municipality being rated best in the Western Cape Province and second(2nd) in South Africa according to a Municipal Financial Stability Index Rating performed by Local Government Ratings Firm, Ratings Afrika. The rating included evaluation at the municipality's liquidity position, extent of external borrowing, spending on employee costs, and financial performance (payment collection rates and affordability of services) by analysing the audited annual financial statements.

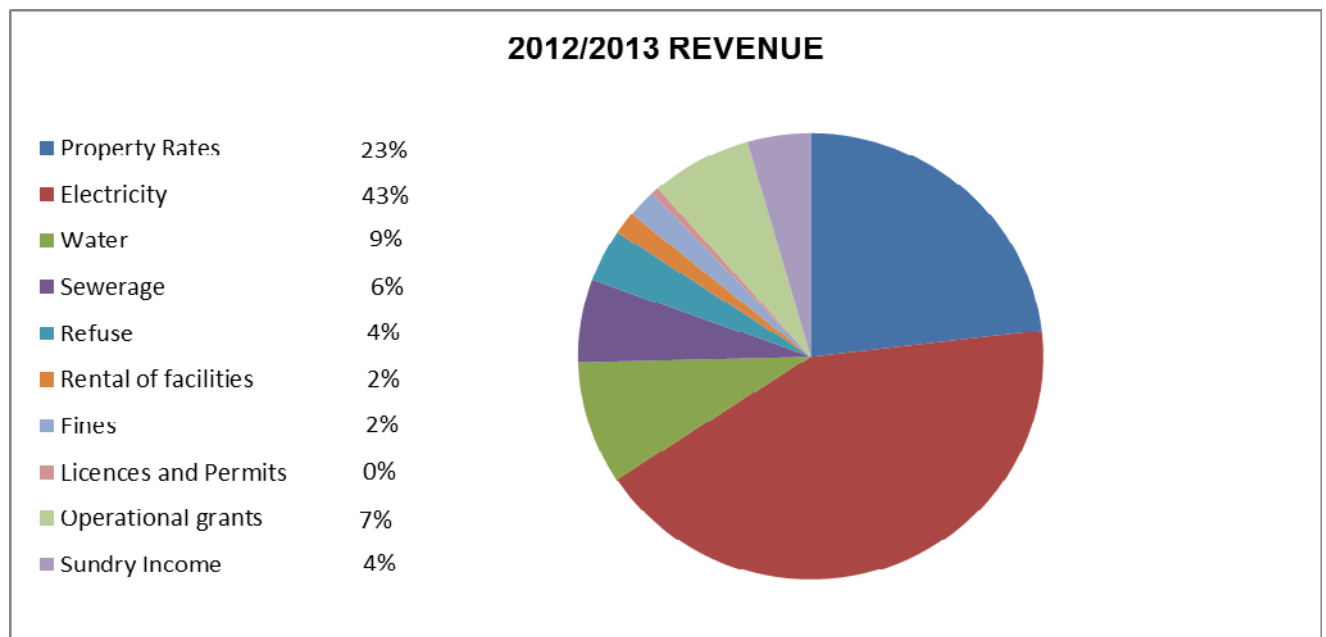
The total budget quantum for the 2012/2013 year is R1 074 120 607, of which R888 376 916 (82.71%) is allocated to the operating budget and R185 743 691 (17.29%) to capital investment.

OPERATING BUDGET – REVENUE

Overall budget growth was limited to 7.31% resulting in annual operating revenue increasing from R802 243 207 in 2011/2012 to R861 570 703 in 2012/2013. Taking cognisance of the economic conditions, the resultant low employment levels and levels of disposable income, it was important to keep services affordable by critically looking at the costs associated with providing the service and the effect on future service charges to provide the services. Accordingly leadership and management investigated potential pitfalls and amongst others found that spiralling expenditure on employee costs did not keep trend with realistically anticipated revenue streams, compounded by the decline in electricity surpluses as a result of higher input costs to provide the service.

A municipality have access to limited revenue sources and therefore keeping a tight grip on staff costs and preventing wastage were of the key drivers to ensure an affordable, realistic and credible budget.

REVENUE CATEGORIES	2011/2012	2012/2013	% INCR.
Property Rates	185,548,537	199,560,469	7.55%
Electricity	332,000,650	366,591,962	10.42%
Water	72,176,958	76,804,669	6.41%
Sewerage	46,895,700	51,274,115	9.34%
Refuse	27,936,239	32,933,756	17.89%
Rental of facilities	13,235,695	14,082,074	6.39%
Fines	16,474,341	17,299,455	5.01%
Licences and Permits	4,482,675	4,709,090	5.05%
Operational grants	65,652,501	60,499,073	-7.85%
Sundry Income	38,439,911	37,816,040	-1.62%
Operating Revenue	802,843,207	861,570,703	7.31%



Licences and Permit Income in above table is less than 1 percentage points and as a result of rounding reflects as zero.

The 7.31% growth in revenue is mainly achieved by the following increases:

- Average tariff increases:

Rates	5.9%
Electricity	11.03%
Water	6.0%
Sewerage	9.5%
Refuse	8.5%

- The Municipality also succeeded in accessing a new grant allocation: EPWP Incentive Grant for Municipalities in a bid to give some relief to the poorest of the poor by means of contract employment opportunities over the short term.

The addressing of the below-mentioned accounting treatment requirements resulted in a negative impact on the natural growth curve of the operational revenue:

- Correct accounting treatment of a portion of the national equitable share of R44 mil
- Correct accounting treatment of Leave Gratuity
- Correct accounting treatment of recoverable cost transactions

Rates

In the 2012/2013 financial year, the Property Taxes paid by owners will increase by only 5.9%, whilst total rates income will increase by 7.55% as a result of projected growth due to natural growth and completed developments to be included in the income base.

Rates rebates to senior citizens and disabled persons are also available as per the requirements of the amended Property Rates Policy, to qualifying ratepayers with a monthly income of R10 000 or less.

Electricity

According to NERSA, the inclining block rate tariff structure is commonly used to charge for water usage. The feature of this tariff structure is that the more you use, the higher the average price. The objective of the inclining block tariff is to provide protection for lower usage customers against high price increases resulting in a reduction in tariffs to these customers. This means that higher consumption customers will see increasingly punitive charges based on their electricity usage. The municipality is implementing the directive from NERSA as part of the Municipality's Licensing Agreement and as a result had to deal with the negative impact of a declining Electricity surplus, year-on year, putting more pressure on the level and quality of services provided.

Council's attention is further drawn to the fact that the proposed electricity tariff was prescribed at 11.03% whereas the increase in electricity bulk purchases for the 2012/2013 financial year is 13.50% as approved by NERSA (National Electricity Regulator of South Africa) for implementation by all municipalities. This impacts negatively on the availability of funds for other infrastructure related operating expenditure. Revenue for this category increases with around 10.42% as a result of also taking the correct accounting treatment of recoverable cost into consideration.

Water

Taking cognizance of the plight of the poor and the affordability of basic services, the scale of 0 – 6 kl was increased with only 4.5% and the scale 7 – 20kl increases with 6%. The average tariff increase for the rest of the consumptive water scales is 6 % (domestic consumers using more than

40 000 litres per month excluded). The tariff is designed to cater for future investment in basic water infrastructure and the need to generate surpluses. **It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2011/2012 and not based on the approved budget for the same year.**

Sewerage (Sanitation)

The proposed increase in this tariff is 9.5%. This tariff increase (above the prescribed cap of 6 % by the South African Reserve Bank) is necessitated by operational requirements, maintenance of existing aging infrastructure, new infrastructure financing/provision and to ensure that the service is delivered in a sustainable manner. **It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2011/2012 and not based on the approved budget for the same year.**

Refuse (Solid Waste)

The solid waste tariffs were modelled to give effect to the principle of the service charge being cost reflective as the service cannot be cross-subsidized. This service is however still rendered at a loss of which the latter will be phased out over 3 years. It is proposed that the tariff increases by 8.5% as a result of the before mentioned. The very nature of this tariff does not lend it to financing the expansion of the landfill site and therefore the proposed extension by way of constructing the new cell, was funded from council's own reserves. **It is however important to note that the proposed revenue as per table A4 (Appendix 1 – Part 1 – Section D) is based on the anticipated actual performance of the income to be derived in 2011/2012 and not based on the approved budget for the same year.**

Debt Management

The municipality is currently executing all credit control and debt collection procedures as required in the Credit Control and Debt Collection policy approved on the 5th of May 2011. These internal procedures followed include the disconnection of services, where there are services that can be disconnected, the issuing of final notices, the conclusion of reasonable agreements where the settlement of the accounts are not possible and also the follow up on defaulting debtors not honoring arrangements.

The municipality continuously enforces the above procedures to ensure that debt which is collectable is collected and all debt that is regarded as not recoverable, be written off. The municipality has also promulgated the Credit Control and Debt Collection By-Law on the 4th of March 2011 to strengthen the internal credit control and debt collection procedures through handing over of all debt over 90 days to the appointed attorneys.

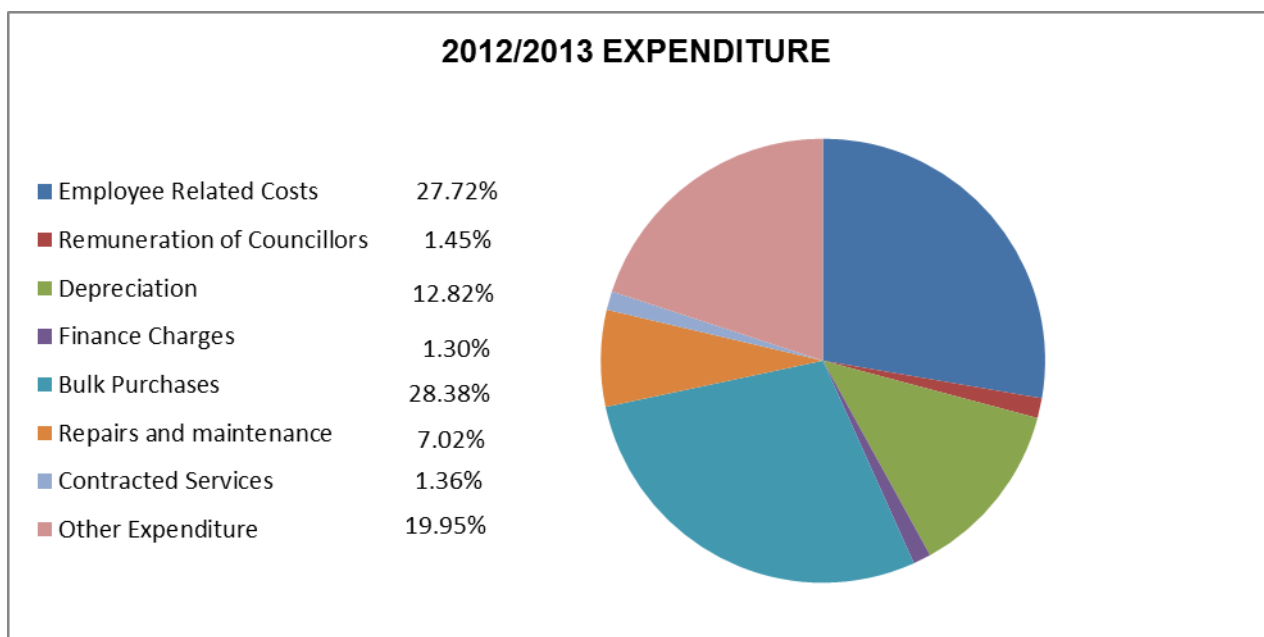
A zero tolerance approach will be followed where consumers are able to pay for services, as this indirectly denies paying consumers the level and standard of service that they are entitled to. The latter includes non-payment of rentals, which will be dealt with by means of right-sizing and educational programs driven by the Public Participation and Housing Departments.

OPERATING BUDGET - EXPENDITURE

The budget sees an increase in annual operating expenditure from R839 479 775 in 2011/2012 to R888 376 916 in 2012/2013. This 5.82% increase is primarily due to increases in several expenditure categories, examples which are included in the table below:

EXPENDITURE CATEGORIES	2011/2012	2012/2013	% INCR.
Employee Related Costs	232,936,934	246,213,762	5.70%
Remuneration of Councillors	12,249,421	12,861,910	5.00%
Depreciation	111,680,710	113,922,270	2.01%
Finance Charges	7,400,278	11,538,400	55.92%
Bulk Purchases	223,269,362	252,103,342	12.91%
Repairs and maintenance	57,701,815	62,405,153	8.15%
Contracted Services	9,783,576	12,075,558	23.43%
Other Expenditure	184,457,679	177,256,521	-3.90%
Total Expenditure	839,479,775	888,376,916	5.82%

Council to note the upward pressure of external borrowing interest (Finance Charges) on future tariffs. In this regard, strong political will and strategic leadership is required to ensure that the municipality maintains the position of being responsive to its communities by ensuring that service charges are kept affordable and realistic by amongst other, critically investigating funding choices and expenditure decisions.



Explanation of significant expenditure variances:**Finance Charges**

The interest payable for the 2012/2013 financial year has been calculated on the maximum amount of possible borrowings drawn down up to the end of the 2011/2012 financial year, which is estimated at R116 m. This is based on expenditure for the 2011/12 year being in line with the SDBIP (all things remaining equal).

Bulk Purchases

Directive/decision issued by NERSA setting the bulk purchase increase at 13.5%, whilst the increase on water was estimated at 6% as the bulk purchase charges of the City was not available at the time of compilation.

Repairs and maintenance

The National Treasury Municipal Budget Circular number 54 for the 2011/2012 MTREF stated that municipalities must *“secure the health of their asset base (especially the municipality’s revenue generating assets) by increasing spending on repairs and maintenance”*. The municipality has, over the last two financial years, increased the investment in repairs and maintenance as it is a priority and addresses the critical backlogs in repairs and maintenance. The year-on-year expenditure growth for this category of expenditure is 8.15%.

Contracted Services

The 23.43% increase can be attributed to the increase in the rental of offices. This further illustrates and motivates the necessity for Council to proceed with the extension of the Head Office building to house all municipal employees responsible for direct customer contact. Expenditure for rentals for the 2011/2012 year is around R 6,6 million which could be applied to service a bond.

Other expenditure

This category decreases due to the following:

- Legal costs decreasing from R11.1m in 2011/2012 to R4.68m in 2012/2013
- Correct accounting treatment of a portion of the national equitable share of R44 mil
- Correct accounting treatment of the Leave Gratuity

CAPITAL BUDGET

The capital budget decreased from R210 103 557 in 2011/2012 to R185 743 691 in 2012/2013.

DIRECTORATE	2011/2012	2012/2013	% INCR.
Municipal Manager	60,000	-	0.00%
Planning and Development	32,894,392	37,382,223	13.64%
Community Services	7,060,676	3,490,000	-50.57%
Public Safety	2,826,000	3,445,000	21.90%
Engineering Services	164,237,489	138,891,468	-15.43%
Strategic and Corporate Services	455,000	135,000	-70.33%
Financial Services	2,570,000	2,400,000	-6.61%
Total Expenditure	210,103,557	185,743,691	-11.59%

FUNDING SOURCE	2011/2012	2012/2013	% INCR.
Capital Replacement Reserve	86,090,400	78,774,000	-8.50%
External Loan	59,335,302	23,777,248	-59.93%
National Government	25,955,000	39,220,000	51.11%
Provincial Government	31,037,726	31,014,223	-0.08%
Public Contributions and donations	7,685,129	12,958,220	68.61%
Total Expenditure	210,103,557	185,743,691	-11.59%

This overall decrease in the main is due to the following:

- Many of the multi-year projects funded from external borrowings are due to be finalised in the current financial year. No new borrowings are being considered for 2012/2013.
- The decrease between the 2 years are skewed by the fact that delayed project completions from previous years, rolled over to the 2011/2012 financial year, whilst previous year's capital budgets were materially reduced by means of adjustment budgets resulting in those projects nearing completion only in 2011/2012.
- Decrease in Maintenance of Proclaimed Roads Grant
- Larger portion of the Sustainable Human Settlements Grants allocated to top structure in the operating budget.

Major capital expenditure is planned in the following areas during the 2012/2013 financial year:

Electricity

- Watergang supply cables
- 66 KV underground cables in excess of R 15 million
- Energy efficient lighting technologies in municipal buildings, street and traffic lighting infrastructure (Electricity Demand Side Management Grant)

Roads, Stormwater and Traffic Engineering

- NMT Upgrades
- Reconstruction of roads
- Construction of tar sidewalks

Solid Waste

- Completion of the upgrade of the Refuse disposal site and new cell

Water Services

- Upgrade of Wemmershoek WWTW and refurbishment of SB WWTW's
- Waterpipe Replacement

C: HIGH LEVEL BUDGET SUMMARY

	Operating Income R	Operating Expenditure R	Capital Expenditure R	Total Budget R
Municipal Manager	(840)	16,821,138	0	16,821,138
Planning & Development Services	(32,249,300)	81,146,187	37,382,223	118,528,410
Community Services	(6,145,444)	54,218,434	3,490,000	57,708,434
Public Safety	(24,343,251)	64,744,078	3,445,000	68,189,078
Engineering Services	(553,445,037)	571,488,905	138,891,468	710,380,373
Strategic & Corporate Services	(1,130,586)	42,328,308	135,000	42,463,308
Financial Services	(244,256,245)	57,629,866	2,400,000	60,029,866
Total	(861,570,703)	888,376,916	185,743,691	1,074,120,607

D: ANNUAL BUDGET TABLES

In accordance with the Budget and Reporting Regulations the following compulsory schedules are attached reflecting the composition and detail of the above mentioned amounts.

Budget Summary	Table A1
Budgeted Financial Performance (Revenue and Expenditure by standard classification)	Table A2
Budgeted Financial Performance (Revenue and Expenditure by standard classification)	Table A3
Budgeted Financial Performance (Revenue and Expenditure)	Table A4
Budgeted Capital Expenditure by vote, standard classification and funding	Table A5
Budgeted Financial Position	Table A6
Budgeted Cash flows	Table A7
Cash backed reserves/accumulated surplus reconciliation	Table A8
Asset Management	Table A9
Basic Service Delivery Measurement	Table A10

The information displayed in the “Adjusted Budget” column for the 2011/2012 financial year includes all changes approved by Council in the 2 Adjustments Budgets during the current financial year.

WC024 Stellenbosch - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands										
<u>Financial Performance</u>										
Property rates	119 119	181 326	185 664	181 549	185 549	185 549	185 549	199 560	210 768	222 629
Service charges	301 425	375 070	454 861	476 510	479 010	479 010	479 010	527 605	580 513	630 387
Investment revenue	30 243	19 752	19 757	18 592	18 592	18 592	18 592	19 707	20 890	22 143
Transfers recognised - operational	35 851	43 718	60 162	75 500	65 653	65 653	65 653	60 499	47 651	51 421
Other own revenue	52 601	112 175	53 321	54 041	54 041	54 041	54 041	54 199	57 069	60 501
Total Revenue (excluding capital transfers and contributions)	539 240	732 042	773 764	806 191	802 843	802 843	802 843	861 571	916 890	987 080
Employee costs	179 687	209 039	220 366	232 877	232 937	232 937	232 937	246 214	258 772	271 970
Remuneration of councillors	5 668	5 790	6 112	12 249	12 249	12 249	12 249	12 862	13 505	14 180
Depreciation & asset impairment	42 389	119 482	90 603	111 681	111 681	111 681	111 681	113 922	116 213	118 549
Finance charges	3 218	2 825	3 752	7 400	7 400	7 400	7 400	11 538	12 231	13 811
Materials and bulk purchases	106 339	137 873	173 671	219 189	223 269	223 269	223 269	252 103	285 122	322 627
Transfers and grants	14 879	14 157	12 980	22 462	23 762	23 762	23 762	26 016	27 453	29 031
Other expenditure	218 374	211 384	220 460	236 942	228 181	228 181	228 181	225 721	226 750	237 182
Total Expenditure	570 554	700 551	727 945	842 801	839 480	839 480	839 480	888 377	940 045	1 007 351
Surplus/(Deficit)	(31 314)	31 491	45 819	(36 611)	(36 637)	(36 637)	(36 637)	(26 806)	(23 154)	(20 271)
Transfers recognised - capital	35 480	51 205	36 641	49 955	56 993	56 993	56 993	70 234	68 177	81 780
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	4 166	82 696	82 460	13 345	20 356	20 356	20 356	43 428	45 023	61 509
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	4 166	82 696	82 460	13 345	20 356	20 356	20 356	43 428	45 023	61 509
<u>Capital expenditure & funds sources</u>										
Capital expenditure	1 552 749	148 540	113 218	199 066	210 104	210 104	210 104	185 744	223 143	242 537
Transfers recognised - capital	22 942	63 705	36 484	49 955	56 993	56 993	56 993	70 234	68 177	81 780
Public contributions & donations	(7 255)	144	4 294	7 593	7 685	7 685	7 685	12 958	1 222	–
Borrowing	(131)	11 124	25 006	47 048	59 335	59 335	59 335	23 777	69 142	65 700
Internally generated funds	1 537 193	73 567	47 434	94 470	86 090	86 090	86 090	78 774	84 602	95 057
Total sources of capital funds	1 552 749	148 540	113 218	199 066	210 104	210 104	210 104	185 744	223 143	242 537
<u>Financial position</u>										
Total current assets	302 857	338 084	440 167	418 253	435 827	435 827	435 827	446 663	465 577	478 632
Total non current assets	3 015 877	3 142 120	3 189 883	3 264 464	3 275 502	3 275 502	3 275 502	3 347 338	3 454 275	3 578 267
Total current liabilities	162 661	164 661	177 792	127 864	127 864	127 864	127 864	116 799	115 234	116 203
Total non current liabilities	110 814	186 498	219 292	273 368	281 942	281 942	281 942	308 521	369 647	428 021
Community wealth/Equity	3 045 259	3 129 045	3 232 966	3 281 486	3 301 522	3 301 522	3 301 522	3 368 681	3 434 972	3 512 675
<u>Cash flows</u>										
Net cash from (used) operating	98 377	169 404	189 022	122 388	129 139	129 139	129 139	166 684	157 918	174 795
Net cash from (used) investing	(104 887)	(147 077)	(113 204)	(191 473)	(202 511)	(202 511)	(202 511)	(185 420)	(222 819)	(242 213)
Net cash from (used) financing	(3 920)	9 132	2 904	43 335	55 622	57 197	57 197	20 479	65 130	60 173
Cash/cash equivalents at the year end	214 846	246 306	325 029	289 706	307 279	308 854	308 854	310 597	310 825	303 580
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	214 898	246 306	325 029	289 706	307 279	307 279	307 279	310 597	310 825	303 580
Application of cash and investments	(67 147)	(112 485)	(147 003)	(178 137)	(178 194)	(178 194)	(178 194)	(185 121)	(199 983)	(219 770)
Balance - surplus (shortfall)	282 045	358 792	472 031	467 843	485 473	485 473	485 473	495 718	510 808	523 351
<u>Asset management</u>										
Asset register summary (WDV)	1 558 783	3 131 556	3 189 013	3 263 514	3 274 552	3 274 552	3 346 373	3 346 373	3 453 303	3 577 292
Depreciation & asset impairment	42 389	119 482	90 603	111 681	111 681	111 681	113 922	113 922	116 213	118 549
Renewal of Existing Assets	(2 844)	–	–	76 152	102 355	102 355	102 355	39 474	51 399	60 700
Repairs and Maintenance	46 513	48 093	48 101	61 177	57 622	57 622	62 405	62 405	68 401	72 138
<u>Free services</u>										
Cost of Free Basic Services provided	26 016	25 176	34 272	36 977	36 977	36 977	41 241	41 241	44 284	47 736
Revenue cost of free services provided	28 909	58 972	67 325	73 915	62 914	62 914	78 861	78 861	69 245	74 712
<u>Households below minimum service level</u>										
Water:	–	–	–	–	–	–	0	0	–	–
Sanitation/sewerage:	–	–	–	–	–	–	0	0	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	10	10	10	10

EXPLANATORY NOTES

Table A1: Budget Summary

Detail on “Other expenditure” is attached.

Due to formatting the following basic service delivery information does not appear on Table A1:

Ref.		2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
	Household service targets (000)									
	Water:									
	Piped water inside dwelling		18 130					23 237		
	Piped water inside yard (but not in dwelling)									
8	Using public tap (at least min.service level)		4 500					10 125		
10	Other water supply (at least min.service level)									
	<i>Minimum Service Level and Above subtotal</i>	0	22 630	0	--	--	--	33 362	0	0
9	Using public tap (< min.service level)		1 520							
10	Other water supply (< min.service level)									
	No water supply							328		
	<i>Below Minimum Service Level subtotal</i>	0	1 520	0	--	--	--	328	0	0
	Total number of households	0	24 150	0	--	--	--	33 690	0	0
	Sanitation/Sewerage:									
	Flush toilet (connected to sewerage)		23 780					31 808		
	Flush toilet (with septic tank)		300							
	Chemical toilet							54		
	Pit toilet (ventilated)									
	Other toilet provisions (> min.service level)									
	<i>Minimum Service Level and Above subtotal</i>	0	24 080	0	--	--	--	31 862	0	0
	Bucket toilet		70					75		
	Other toilet provisions (< min.service level)									
	No toilet provisions							260		
	<i>Below Minimum Service Level subtotal</i>	0	70	0	--	--	--	335	0	0
	Total number of households	0	24 150	0	--	--	--	32 197	0	0
	Energy:									
	Electricity (at least min.service level)		8 487					25 101		
	Electricity - prepaid (min.service level)		20 182							
	<i>Minimum Service Level and Above subtotal</i>	0	28 669	0	--	--	--	25 101	0	0
	Electricity (< min.service level)									
	Electricity - prepaid (< min. service level)									
	Other energy sources									
	<i>Below Minimum Service Level subtotal</i>	0	0	0	--	--	--	0	0	0
	Total number of households	0	28 669	0	--	--	--	25 101	0	0
	Waste:									
	Removed at least once a week							20 000		
	<i>Minimum Service Level and Above subtotal</i>	0	0	0	--	--	--	20 000	0	0
	Removed less frequently than once a week									
	Using communal refuse dump							10 000		
	Using own refuse dump									
	Other rubbish disposal									
	No rubbish disposal									
	<i>Below Minimum Service Level subtotal</i>	0	0	0	--	--	--	10 000	0	0
	Total number of households	0	0	0	--	--	--	30 000	0	0

Item	Description	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
400	SOUVENIRS	33 000	34 980	37 090
403	ADVERTISEMENTS	1 390 559	1 483 274	1 566 278
404	STOCK: WRITING-OFF OF	7 740	8 210	8 710
405	SUNDRY	65 610	68 560	71 560
406	AMMUNITION	8 740	9 270	9 830
407	PAUPER BURIALS	35 960	38 120	40 410
408	INSURANCE	3 890 640	4 202 270	4 538 870
410	ANIMAL IMPOUNDMENT	150 000	159 000	168 540
411	PLANNING AND ADVISORY ALLOWANC	84 800	89 890	95 290
413	OUT DATED STOCK	2 350	2 500	2 650
416	AGENCY SERVICES: STREET PARKIN	653 935	693 171	734 770
418	AGENCY SERVICE: SPEEDING	7 131 660	7 549 560	8 098 540
419	AGENCY SERVICE: PRE-PAID METER	4 895 990	5 465 749	5 751 694
423	INTERNATIONAL RELATIONS	174 680	192 148	203 680
425	RADIO'S: OPERATIONAL COSTS	821 845	876 270	929 839
426	STAFF WELLNESS/INCENTIVES	400 000	400 000	400 000
431	STOCK MAINTENANCE	107 120	113 582	120 404
467	INVESTMENT ADMINISTRATION	898 880	952 820	1 009 990
469	BANKING COSTS: ELECTRONIC	2 447 200	2 612 040	2 777 770
470	BANKING COSTS	535 960	568 120	602 210
471	MARKETING	201 100	202 370	203 720
472	FUMEGATING OF BUILDINGS	117 840	118 870	119 957
474	FIRE FIGHTING	13 270	14 070	14 920
476	FIRE EXTINGUISHERS	121 700	60 884	64 825
478	FUEL & OIL	8 138 114	8 653 188	9 183 358
479	FIRES	20 260	21 480	22 770
480	CONTR. TRADE UNION REPRESENTAT	41 190	43 670	46 300
482	HOUSING PROJECTS EXPENDITURE T	13 763 169	-	-
483	CONSUMABLE GOODS	8 480	8 989	9 528
550	SERVING OF SUMMONCES	362 930	390 710	420 160
553	PRINTING & STATIONERY	1 873 481	1 978 643	2 097 628
554	PRINTING OF ACCOUNTS	857 970	909 450	964 020
556	PRINTING: AGENDAS AND	188 472	195 782	203 230
558	ELECTRONIC COMMUNICATION: ICT	690 640	732 090	776 025
611	PROPERTY VALUATIONS	2 167 750	2 738 505	1 844 216
612	ELECTRICITY: TRAFFIC LIGHTS	92 950	98 530	104 450
613	ELECTRICITY CONSUMPTION	16 900 600	18 759 880	20 823 720
671	PHOTOGRAPHIC MATERIAL	1 960	2 090	2 230
705	GASS CONSUMPTION	26 346	28 147	29 890
708	POISON & FERTILIZERS	120 090	127 267	136 197
709	GRATUITY	25 240	26 760	28 370
764	RECYCLING: HOUSEHOLD REFUSE	171 240	181 520	192 420
765	LEVIES: DEPARTMENT OF TRANSPOR	26 530	28 130	29 820
766	DOGS: TERMINATION	6 890	7 310	7 750
780	HONORARIUM	47 643	49 785	52 057
783	CASH IN TRANSIT	269 670	285 860	303 020
836	MEMBERSHIP FEES	1 397 123	1 477 939	1 566 767
920	SPECIAL PROJECTS	1 061 000	21 200	22 472
923	REHABILITATION WORK	228 540	256 796	272 203
925	OFFICE REFRESHMENTS	613 586	655 018	696 835
927	SERVICE LEVEL AGREEMENTS	638 210	664 510	698 390
928	CONSULTING AND PLANNING FEES	5 347 020	5 423 139	5 603 950
929	CART LICENCE	730	780	830

Item	Description	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
934	POST EVALUATIONS	56 000	59 560	63 140
941	US RELATIONS	150 000	157 500	166 950
942	MSP IMPLEMENTATION	136 730	144 940	153 640
945	LONG TERM EX GRATIA	45 000	48 560	51 480
946	LICENCES: TV/SOFTWARE/NETWORK	1 567 070	1 667 150	1 773 214
947	LICENSES: RADIO	256 680	275 327	291 740
948	LABORATORY: CONSUMABLES	66 860	74 272	79 348
949	DRIVERS PERMIT & CLEARANCE CER	21 070	22 340	23 688
950	LICENSES: VEHICLES	637 078	676 555	718 504
954	INVESTMENT PROMOTION	98 000	98 000	103 880
955	FRANSCHHOEK OFFICE REFRESHMENT	6 360	6 742	7 150
956	ITEM DETECTOR SYSTEM	16 414	17 611	18 887
961	PRODIBA PAYMENT	502 240	532 380	564 330
962	US MOU SITT PLANNING	1 000 000	1 000 000	-
973	WATER SAMPLE ANALYSIS	102 520	115 471	123 640
975	MEDICAL CHECKUP	82 950	89 970	95 741
1006	NATIONAL TRAINING BOARD	1 730 710	1 834 560	1 944 640
1007	FIRST AID EQUIPMENT	110 255	83 062	89 554
1008	EXTERNAL NEWSLETTER	273 950	290 390	307 820
1010	NICHE	7 740	8 210	8 710
1011	NIGHT SHELTER	300 000	300 000	300 000
1053	RECREATION DAY	173 000	183 380	194 390
1058	WORKSHOPS, FUNCTIONS & CAPACIT	205 000	217 300	229 708
1059	WARD COMMITTEE SYSTEMS	186 890	190 370	195 800
1063	HOSTING OF EVENTS	349 500	405 065	461 020
1065	AUDIT FEES: INTERNAL	900 000	700 000	500 000
1066	WORKMANS COMPENSATION	1 194 867	1 269 587	1 347 057
1067	CORPORATE EXPENSES	223 270	260 400	276 193
1069	RIGHT OF ADMISSION & SERVITUDE	10 760	11 432	12 165
1070	PUBLIC RELATIONS	224 680	240 091	254 967
1071	TRAINING	1 277 297	1 345 121	1 425 840
1072	EDUCATIONAL PROGRAMS	248 938	264 485	280 400
1073	PERFORMANCE RIGHTS	10 750	11 420	12 126
1074	AUDITING FEES: EXTERNAL	3 902 210	3 777 100	3 973 740
1075	CARE TAKERS	6 400	6 790	7 200
1076	CORPORATE LIAISON	12 540	36 410	38 610
1077	DIARIES	95 000	78 660	83 380
1078	INTERNAL INVESTIGATIONS	231 080	244 950	259 650
1079	TRAINING: MANAGEMENT DEVELOPME	595 510	631 250	669 130
1080	TRAINING: SAFETY WORK PROCEDUR	361 000	88 500	94 207
1083	AUDIT COMMITTEE	200 000	56 830	60 240
1084	WARDS: WORKSHOPS/COMBINED MEET	26 530	28 130	29 818
1136	SQUATING: REMOVING OF	134 820	142 910	151 490
1138	PLASTIC BAGS	505 460	535 790	567 940
1139	POSTAGE FEES	1 244 050	1 318 700	1 397 830
1140	COUNCIL ENTERTAINMENT	40 000	42 000	44 000
1141	PENSION ALLOWANCE: PENSIONARS	5 560	5 900	6 260
1143	PUBLIC SAFETY SPECIAL OPERATIO	170 000	200 000	230 000
1200	COUNCIL REFRESHMENTS	80 000	82 000	85 000
1205	REGISTRATION FEES	542 830	577 935	612 631
1206	LEGAL COSTS	4 682 330	5 323 284	5 666 690
1207	CONGRES- & SEMINAR EXPENDITURE	698 005	783 133	833 556
1209	SEWERAGE	1 036 976	1 099 742	1 165 815

Item	Description	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
1211	INTEREST: ALLOCATED	208 430	220 940	234 200
1215	DISASTER INCIDENTS/RELIEVE AID	400 000	420 000	450 000
1220	IMATU OPERATIONAL EXPENSES	6 320	6 700	7 110
1221	SAMWU OPERATIONAL EXPENSES	6 320	6 700	7 110
1260	CELL PHONE CALLS	681 480	722 380	765 740
1267	SECURITY	3 500 000	3 675 000	3 858 750
1268	CLEANING SERVICES	1 046 120	1 110 253	1 086 778
1272	SUBSIDY ON LOAN PAYMENTS	504 260	534 550	566 660
1274	BURSARIES	389 590	412 970	437 760
1275	CELLPHONES: FIXED COSTS	113 490	120 457	127 841
1276	CELLPHONES: OPERATIONAL	126 062	134 530	143 288
1277	3G: FIXED COSTS	27 000	29 844	31 859
1330	SCANNING COSTS	1 518 620	1 621 738	1 731 050
1332	TELEPHONE VPN-RENTAL	635 900	674 060	714 510
1334	TRANSACTION LEVIES	12 080	12 730	13 420
1335	TELEPHONE	2 954 114	3 140 792	3 329 430
1337	TRANSFER & SURVEY COST	71 697	76 001	80 570
1339	BOOKS, PERIODIC.& SUBSCRIPTION	246 557	261 225	276 980
1406	NATIONAL DAYS OF COMMEMORATIO	100 000	120 000	150 000
1407	OPERATIONAL COSTS: FESTIVITIES	31 800	33 710	35 740
1412	PROTECTIVE CLOTHING AND EQUIPM	1 573 264	1 651 844	1 756 995
1415	REPLACE LIBRARY MATERIAL	44 342	47 007	49 840
1416	FURNITURE REMOVAL COSTS	50 000	50 000	53 000
1417	REMOVAL OF ABANDONED VEHICLES	49 980	52 979	56 157
1419	VEHICLE COSTS	59 984	63 622	67 522
1420	STORES & MATERIAL	2 254 556	2 398 876	2 542 533
1421	REFUSE BINS	3 480	3 700	3 940
1422	REFUSE REMOVAL	653 250	692 490	734 090
1428	EXCESS AND PUBLIC ACCOUNTABILI	303 670	321 900	341 220
1429	VEHICLE TRACKING SYSTEM	274 500	293 581	220 577
1431	EMERGENCY WORK: MEALS	67 120	71 901	76 642
1434	MEET.& WORKSHOPS:PARTIC.STRUCT	123 530	130 960	138 830
1436	REMOVAL OF BUILDING RUBBLE	31 570	33 470	35 480
1478	CLEAN-UP CAMPAIGN	388 860	412 200	436 940
1482	WATER CONSUMPTION	1 900 700	1 986 440	2 076 060
1484	RECRUTING & SELECTING	60 000	60 000	63 600
1489	WEBSITE	247 920	259 370	274 940
1515	GRAP IMPLEMENTATION	910 970	965 630	1 023 570
1545	RENTAL: DATA COMMUNICATION	99 760	105 750	112 100
1560	AGENCY SERVICES	3 708 800	3 916 990	4 125 402
1561	RECOVERABLE COSTS: FIXED TARIF	1 626 608	1 723 712	1 827 170
1562	RECOVERABLE COSTS: ACTUAL EXPE	867 480	919 580	974 866
1563	RECOVERABLE COSTS: FIXED Q UOTA	140 263	147 276	156 120
1600	CLAIMS: GLOBAL	3 890 580	2 748 400	3 029 270
1609	YGD PROGRAMMES	120 000	120 000	120 000
1613	WARD COMMITTEE SUPPORT	733 000	759 650	805 230
1615	FESTIVAL OF LIGHTS	150 000	150 000	150 000
1700	CONNECTIONS & METERS	1 855 870	2 009 002	2 184 632
1701	FURNITURE & EQUIPMENT	436 582	463 270	491 824
1702	ACTIVATED SLUDGE PLANT	254 450	271 059	290 111
1761	BOREHOLES & LIGHTING	100 720	106 780	113 198
1762	FIRE HYDRANTS	175 000	170 350	182 169
1764	BRIDGES	70 800	75 050	79 560

Item	Description	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
1765	FIRES	5 000	5 000	5 300
1766	PRECIPITATION	50 000	70 000	90 000
1767	BIOFILTERS	50 000	70 000	90 000
1769	TREES: PRUNING	666 656	754 356	799 619
1770	TREES: PLANTING	391 280	414 471	439 350
1771	TREES: FELLING	336 394	368 698	390 838
1772	IRRIGATION	317 953	346 831	373 759
1773	FERTILISING	346 346	366 998	388 778
1774	FIRE PROTECTION	84 000	84 000	89 050
1775	UTILISATION	10 000	10 000	10 600
1821	DISINFECTION	109 010	115 986	123 849
1822	CHEMICAL DOSING	527 710	577 880	628 353
1880	INLET WORKS	49 000	51 560	54 656
1882	DRAINAGE	19 303	20 461	21 689
1883	PRESSURE CONTROL	51 970	55 348	59 222
1884	MASTERPLAN	134 334	142 400	150 944
2000	CYCLE PATHS	16 530	17 522	18 580
2001	FILTERS	855 200	906 512	960 902
2055	GROUNDS: MONT ROCHELLE	18 420	18 420	19 530
2056	LAW ENFORCEMENT EQUIPMENT	40 980	43 440	46 050
2057	BUILDINGS: SPECIFIC MAINTENANC	640 000	647 400	654 944
2060	BUILDINGS: ROUTINE MAINTENANCE	4 869 431	5 412 903	5 967 680
2062	TOOLS & EQUIPMENT	763 331	810 292	863 702
2063	SOIL CONSERVATION	48 169	48 169	51 060
2064	GROUNDS	1 511 299	1 810 077	1 928 894
2065	GRAVEL ROADS	440 302	448 966	458 150
2066	GRAVEL SIDEWALKS	300 000	450 000	490 000
2067	GRASS CUTTING	2 082 441	2 241 153	1 384 004
2068	OAK TREE TREATMENT	221 686	231 946	242 318
2069	ELECTRICAL MAINTENANCE	200 096	212 106	224 832
2114	CELLPHONE MAINTENANCE	17 570	18 630	19 760
2120	MAINLINE	3 274 966	3 420 717	3 637 960
2121	LIFT	254 050	269 297	285 460
2122	FENCES	3 340	3 550	3 770
2181	EXCEPTANCE OF SEWERAGE	20 760	22 006	23 330
2182	INTAKE	401 000	427 065	452 689
2300	VALVES	506 500	565 423	630 803
2303	COMPOSTING	40 890	43 957	47 254
2360	IRRIGATION WATER	450 100	477 106	505 740
2361	LINE MARKING	186 506	207 365	219 721
2420	MARKET TABLES	890	950	1 010
2421	MACHINES	352 040	377 394	406 092
2422	METERS	35 400	37 530	39 775
2480	NETWORK	2 900 000	3 053 500	3 144 245
2540	FENCING	333 404	372 203	392 515
2541	RAMPS	5 910	6 270	6 650
2542	AREA CLEANING	4 209 550	5 359 360	5 790 400
2603	PUMPS	1 198 200	1 283 698	1 371 476
2604	PROGRAMMING	190 168	202 053	215 146
2605	PUMPSTATIONS	242 980	260 559	282 435
2606	PLANTATION SPACING	1 011	1 072	1 140
2607	PARKINGAREAS - GRAVEL	7 900	8 374	8 880
2608	PARKINGAREAS - TARR	7 900	8 374	8 880

Item	Description	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
2719	RADIOS	241 562	247 938	263 393
2721	SEWER LINES	4 500 000	4 500 000	4 800 000
2722	RIVERS	567 622	901 074	953 944
2723	RIVER BANKS	88 490	99 428	105 394
2724	RESERVOIRS	600 000	639 000	677 340
2725	RETICULATION	53 520	60 331	67 919
2760	SECURITY SYSTEMS	236 950	251 251	266 349
2770	ODOUR CONTROL SYSTEMS	78 000	502 905	537 880
2780	MATURATION PONDS AND SLUDGE LA	878 190	945 080	1 024 827
2781	STREET LIGHTS	1 154 483	1 223 764	1 297 196
2782	STREETS	3 000	3 180	3 372
2784	STREET CURBING	35 400	37 530	39 790
2785	SUBSTATIONS	3 952 069	4 043 968	4 304 606
2787	STORAGE DAMS	50 000	53 250	56 445
2788	CLEANING OF OPEN ERVEN	291 501	346 391	361 575
2789	PLAYGROUND EQUIPMENT	68 016	71 461	75 749
2790	BRICKPAVING	29 500	31 270	33 150
2835	TAR ROADS: RESEAL	400 000	466 000	535 960
2839	SIGNS	135 078	144 240	154 217
2840	TRAFFIC SIGNS AND PAINT	808 470	856 978	908 400
2841	TELEPHONE SYSTEM	233 300	247 300	262 140
2843	TAR ROADS	2 359 560	2 501 134	2 651 210
2844	TAR SIDEWALKS	117 980	125 060	132 570
2845	SUPPLY LINES	530 000	564 450	598 317
2846	TELEMETRY	373 610	397 505	422 911
2958	ROBOT: ROAD LOOPS	353 920	375 155	397 665
2959	BOOMS	8 300	8 800	9 330
2961	TRAFFIC LIGHTS	82 440	87 390	92 640
2962	STORMWATER DRAINAGE	3 117 919	3 582 927	3 921 022
2963	STORMWATER REPELLING	20 000	21 300	22 791
2964	FLOW METERS	430 000	458 900	489 552
2965	DECORATION	19 223	20 376	21 599
2966	METERING	1 026 504	1 088 101	1 153 387
2967	KIOSK & METER PANELS/ROOMS	113 081	119 875	127 068
2968	SERVICE CONNECTIONS	160 000	160 000	160 000
2969	CUSTOMER SERVICES	366 612	388 617	411 934
3019	WIDE AREA NETWORK	40 890	43 350	45 960
3020	MACHINERY AND VEHICLES	5 669 805	5 960 867	6 304 522
3021	TREE: ANTI FUNGAL MANAGEMENT/S	130 000	137 800	146 070
3200	MINOR ASSETS: FURNITURE AND EQ	186 087	198 374	211 418
3220	MINOR ASSETS: TOOLS	532 653	607 763	647 062
3930	DEBITED ELSEWHERE: CAPITAL ADMI	-4 537 190	-5 013 770	-5 314 780
3980	DEBITED ELSEWHERE: JOB COSTING	-21 636 520	-22 934 940	-24 311 250
Grand Total		175 496 633	171 612 301	179 997 874

WC024 Stellenbosch - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Revenue - Standard										
Governance and administration		178 546	281 702	230 782	249 032	253 413	253 413	250 059	264 073	279 254
Executive and council		559	666	1 261	312	312	312	20	21	22
Budget and treasury office		177 489	216 750	228 522	240 927	244 927	244 927	244 249	257 973	272 787
Corporate services		498	64 286	998	7 792	8 173	8 173	5 790	6 079	6 444
Community and public safety		39 184	50 409	48 838	70 693	53 680	53 680	70 214	63 540	67 043
Community and social services		1 604	1 927	2 446	2 620	2 803	2 803	2 684	1 512	1 603
Sport and recreation		912	1 663	1 637	1 077	1 077	1 077	1 660	1 206	1 278
Public safety		19 519	18 226	15 356	17 135	17 635	17 635	17 991	18 891	20 024
Housing		17 147	28 592	29 385	49 861	32 165	32 165	47 879	41 931	44 138
Health		2	1	14	–	–	–	–	–	–
Economic and environmental services		21 950	33 514	32 278	15 092	25 315	25 315	13 171	13 702	12 129
Planning and development		3 906	8 272	5 971	3 204	3 225	3 225	3 539	3 727	3 952
Road transport		18 044	25 242	26 307	11 889	22 089	22 089	9 632	9 975	8 176
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		331 171	414 114	494 503	519 977	526 077	526 077	596 955	642 275	708 868
Electricity		196 894	252 661	306 712	337 187	337 187	337 187	375 856	408 366	445 027
Water		64 125	76 751	89 076	75 033	78 418	78 418	88 312	105 182	96 213
Waste water management		42 011	54 165	60 656	68 981	76 697	76 697	93 341	81 487	116 779
Waste management		28 141	30 536	38 059	38 775	33 775	33 775	39 445	47 239	50 850
Other	4	3 870	3 508	4 005	1 352	1 352	1 352	1 407	1 477	1 566
Total Revenue - Standard	2	574 721	783 246	810 405	856 146	859 836	859 836	931 805	985 067	1 068 860
Expenditure - Standard										
Governance and administration		154 137	68 796	138 214	160 388	164 950	164 950	152 846	162 066	167 223
Executive and council		25 289	16 966	21 011	41 116	38 870	38 870	37 167	40 168	41 331
Budget and treasury office		82 306	20 925	67 274	66 453	66 335	66 335	55 758	58 840	59 539
Corporate services		46 542	30 905	49 929	52 818	59 744	59 744	59 921	63 057	66 353
Community and public safety		110 799	109 203	125 693	128 753	119 769	119 769	133 846	124 927	130 399
Community and social services		14 164	14 526	17 321	18 738	19 085	19 085	19 798	19 507	20 513
Sport and recreation		18 925	19 602	24 386	21 930	22 170	22 170	22 888	24 095	24 235
Public safety		45 318	45 156	48 176	50 131	50 958	50 958	52 105	54 853	57 869
Housing		32 196	29 676	35 545	37 810	27 412	27 412	38 908	26 323	27 630
Health		195	242	266	144	144	144	146	149	152
Economic and environmental services		44 036	63 203	67 997	75 662	74 552	74 552	73 444	76 174	78 918
Planning and development		23 902	20 405	22 110	25 510	24 166	24 166	21 837	22 707	23 617
Road transport		18 293	40 746	44 086	48 128	48 362	48 362	49 581	51 330	53 044
Environmental protection		1 842	2 052	1 800	2 024	2 024	2 024	2 025	2 137	2 258
Trading services		257 894	452 742	396 206	473 816	476 026	476 026	523 842	572 374	626 207
Electricity		153 152	242 610	255 934	309 369	314 917	314 917	349 667	387 449	430 462
Water		44 299	98 742	63 634	69 851	68 223	68 223	72 302	76 252	80 455
Waste water management		33 818	66 386	46 887	62 646	59 371	59 371	66 697	70 946	75 403
Waste management		26 625	45 004	29 751	31 950	33 516	33 516	35 176	37 726	39 886
Other	4	4 491	6 607	(164)	4 183	4 183	4 183	4 399	4 505	4 604
Total Expenditure - Standard	3	571 357	700 551	727 945	842 801	839 480	839 480	888 377	940 045	1 007 351
Surplus/(Deficit) for the year		3 363	82 696	82 460	13 345	20 356	20 356	43 428	45 023	61 509

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

WC024 Stellenbosch - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Revenue - Standard										
Municipal governance and administration		178 546	281 702	230 782	249 032	253 413	253 413	250 059	264 073	279 254
Executive and council		559	666	1 261	312	312	312	20	21	22
Mayor and Council		559	666	1 261	312	312	312	20	21	22
Municipal Manager		—	—	—	—	—	—	—	—	—
Budget and treasury office		177 489	216 750	228 522	240 927	244 927	244 927	244 249	257 973	272 787
Corporate services		498	64 286	998	7 792	8 173	8 173	5 790	6 079	6 444
Human Resources		493	1 373	258	3 222	3 602	3 602	881	926	981
Information Technology		—	—	—	—	—	—	—	—	—
Property Services		—	62 655	737	4 563	4 563	4 563	4 900	5 145	5 454
Other Admin		5	257	3	8	8	8	8	9	9
Community and public safety		39 184	50 409	48 838	70 693	53 680	53 680	70 214	63 540	67 043
Community and social services		1 604	1 927	2 446	2 620	2 803	2 803	2 684	1 512	1 603
Libraries and Archives		568	785	1 144	1 343	1 526	1 526	1 343	102	108
Museums & Art Galleries etc		13	16	17	17	17	17	18	19	20
Community halls and Facilities		316	393	418	385	385	385	404	425	450
Cemeteries & Crematoriums		617	614	707	691	691	691	726	762	808
Child Care		—	—	—	—	—	—	—	—	—
Aged Care		—	—	—	—	—	—	—	—	—
Other Community		89	120	160	183	183	183	192	204	216
Other Social		—	—	—	—	—	—	—	—	—
Sport and recreation		912	1 663	1 637	1 077	1 077	1 077	1 660	1 206	1 278
Public safety		19 519	18 226	15 356	17 135	17 635	17 635	17 991	18 891	20 024
Police		19 506	18 181	15 307	17 085	17 585	17 585	17 940	18 837	19 967
Fire		13	45	48	49	49	49	52	54	58
Civil Defence		—	—	—	—	—	—	—	—	—
Street Lighting		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Housing		17 147	28 592	29 385	49 861	32 165	32 165	47 879	41 931	44 138
Health		2	1	14	—	—	—	—	—	—
Clinics		2	—	—	—	—	—	—	—	—
Ambulance		—	—	—	—	—	—	—	—	—
Other		1	1	14	—	—	—	—	—	—
Economic and environmental services		21 950	33 514	32 278	15 092	25 315	25 315	13 171	13 702	12 129
Planning and development		3 906	8 272	5 971	3 204	3 225	3 225	3 539	3 727	3 952
Economic Development/Planning		3 906	8 272	5 971	3 204	3 225	3 225	3 539	3 727	3 952
Town Planning/Building enforcement		—	—	—	—	—	—	—	—	—
Licensing & Regulation		—	—	—	—	—	—	—	—	—
Road transport		18 044	25 242	26 307	11 889	22 089	22 089	9 632	9 975	8 176
Roads		11 639	19 770	20 233	5 839	16 040	16 040	3 280	3 306	1 107
Public Buses		—	—	—	—	—	—	—	—	—
Parking Garages		—	—	—	—	—	—	—	—	—
Vehicle Licensing and Testing		6 405	5 472	6 074	6 050	6 050	6 050	6 352	6 670	7 070
Other		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
Pollution Control		—	—	—	—	—	—	—	—	—
Biodiversity & Landscape		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Trading services		331 171	414 114	494 503	519 977	526 077	526 077	596 955	642 275	708 868
Electricity		196 894	252 661	306 712	337 187	337 187	337 187	375 856	408 366	445 027
Electricity Distribution		196 894	252 661	306 712	337 187	337 187	337 187	375 856	408 366	445 027
Electricity Generation		—	—	—	—	—	—	—	—	—
Water		64 125	76 751	89 076	75 033	78 418	78 418	88 312	105 182	96 213
Water Distribution		63 565	76 164	89 022	75 033	78 418	78 418	88 312	105 182	96 213
Water Storage		560	586	54	—	—	—	—	—	—
Waste water management		42 011	54 165	60 656	68 981	76 697	76 697	93 341	81 487	116 779
Sewerage		41 872	54 165	60 656	68 981	76 697	76 697	93 341	81 487	116 779
Storm Water Management		139	—	—	—	—	—	—	—	—
Public Toilets		—	—	—	—	—	—	—	—	—
Waste management		28 141	30 536	38 059	38 775	33 775	33 775	39 445	47 239	50 850
Solid Waste		28 141	30 536	38 059	38 775	33 775	33 775	39 445	47 239	50 850
Other		3 870	3 508	4 005	1 352	1 352	1 352	1 407	1 477	1 566
Air Transport		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Tourism		—	—	—	—	—	—	—	—	—
Forestry		3 704	3 329	3 768	1 155	1 155	1 155	1 200	1 260	1 336
Markets		166	179	237	197	197	197	207	217	230
Total Revenue - Standard	2	574 721	783 246	810 405	856 146	859 836	859 836	931 805	985 067	1 068 860
Expenditure - Standard										
Municipal governance and administration		154 137	68 796	138 214	160 388	164 950	164 950	152 846	162 066	167 223
Executive and council		25 289	16 966	21 011	41 116	38 870	38 870	37 167	40 168	41 331
Mayor and Council		25 289	16 966	21 011	41 116	38 870	38 870	37 167	40 168	41 331
Municipal Manager		—	—	—	—	—	—	—	—	—
Budget and treasury office		82 306	20 925	67 274	66 453	66 335	66 335	55 758	58 840	59 539
Corporate services		46 542	30 905	49 929	52 818	59 744	59 744	59 921	63 057	66 353
Human Resources		8 136	3 070	4 159	8 438	8 419	8 419	4 797	4 407	4 593
Information Technology		4 124	1 004	2 754	4 081	4 422	4 422	4 697	4 892	5 096
Property Services		7 733	8 457	15 183	16 468	15 873	15 873	24 445	26 140	27 733
Other Admin		26 549	18 374	27 833	23 831	31 031	31 031	25 982	27 619	28 930

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Community and public safety		110 799	109 203	125 693	128 753	119 769	119 769	133 846	124 927	130 399
Community and social services		14 164	14 526	17 321	18 738	19 085	19 085	19 798	19 507	20 513
Libraries and Archives		5 742	6 488	7 792	8 518	8 701	8 701	8 636	7 776	8 183
Museums & Art Galleries etc		396	283	291	338	338	338	345	368	392
Community halls and Facilities		2 095	2 110	2 458	2 357	2 360	2 360	2 573	2 714	2 863
Cemeteries & Crematoriums		1 993	1 816	1 999	1 905	1 911	1 911	1 793	1 894	1 999
Child Care		-	-	-	-	-	-	-	-	-
Aged Care		-	-	-	-	-	-	-	-	-
Other Community		3 938	3 830	4 781	5 620	5 775	5 775	6 451	6 755	7 075
Other Social		-	-	-	-	-	-	-	-	-
Sport and recreation		18 925	19 602	24 386	21 930	22 170	22 170	22 888	24 095	24 235
Public safety		45 318	45 156	48 176	50 131	50 958	50 958	52 105	54 853	57 869
Police		27 432	26 378	26 807	28 853	29 337	29 337	28 349	29 907	31 662
Fire		14 183	15 552	16 634	16 564	16 582	16 582	17 396	18 296	19 245
Civil Defence		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Other		3 702	3 225	4 734	4 713	5 038	5 038	6 361	6 650	6 962
Housing		32 196	29 676	35 545	37 810	27 412	27 412	38 908	26 323	27 630
Health		195	242	266	144	144	144	146	149	152
Clinics		189	243	252	144	144	144	146	149	152
Ambulance		-	-	-	-	-	-	-	-	-
Other		6	(1)	14	-	-	-	-	-	-
Economic and environmental services		44 036	63 203	67 997	75 662	74 552	74 552	73 444	76 174	78 918
Planning and development		23 902	20 405	22 110	25 510	24 166	24 166	21 837	22 707	23 617
Economic Development/Planning		23 902	20 405	22 110	25 510	24 166	24 166	21 837	22 707	23 617
Town Planning/Building enforcement		-	-	-	-	-	-	-	-	-
Licensing & Regulation		-	-	-	-	-	-	-	-	-
Road transport		18 293	40 746	44 086	48 128	48 362	48 362	49 581	51 330	53 044
Roads		15 027	37 103	40 062	43 844	44 078	44 078	45 434	46 965	48 452
Public Buses		-	-	-	-	-	-	-	-	-
Parking Garages		-	-	-	-	-	-	-	-	-
Vehicle Licensing and Testing		3 266	3 643	4 024	4 284	4 284	4 284	4 148	4 364	4 592
Other		-	-	-	-	-	-	-	-	-
Environmental protection		1 842	2 052	1 800	2 024	2 024	2 024	2 025	2 137	2 258
Pollution Control		4	3	3	1	1	1	1	1	1
Biodiversity & Landscape		1 838	2 049	1 797	2 023	2 023	2 023	2 025	2 136	2 257
Other		-	-	-	-	-	-	-	-	-
Trading services		257 894	452 742	396 206	473 816	476 026	476 026	523 842	572 374	626 207
Electricity		153 152	242 610	255 934	309 369	314 917	314 917	349 667	387 449	430 462
Electricity Distribution		153 152	242 610	255 934	309 369	314 917	314 917	349 667	387 449	430 462
Electricity Generation		-	-	-	-	-	-	-	-	-
Water		44 299	98 742	63 634	69 851	68 223	68 223	72 302	76 252	80 455
Water Distribution		32 106	67 306	47 985	51 147	49 532	49 532	53 318	56 298	59 471
Water Storage		12 193	31 437	15 649	18 704	18 691	18 691	18 984	19 955	20 985
Waste water management		33 818	66 386	46 887	62 646	59 371	59 371	66 697	70 946	75 403
Sewerage		27 249	58 048	37 937	52 017	50 356	50 356	56 991	60 508	64 352
Storm Water Management		5 397	7 232	7 477	8 533	6 920	6 920	7 182	7 806	8 302
Public Toilets		1 172	1 106	1 472	2 095	2 095	2 095	2 524	2 632	2 749
Waste management		26 625	45 004	29 751	31 950	33 516	33 516	35 176	37 726	39 886
Solid Waste		26 625	45 004	29 751	31 950	33 516	33 516	35 176	37 726	39 886
Other		4 491	6 607	(164)	4 183	4 183	4 183	4 399	4 505	4 604
Air Transport		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-
Forestry		4 480	6 607	(164)	1 792	1 792	1 792	1 920	1 974	2 020
Markets		12	-	-	2 391	2 391	2 391	2 479	2 531	2 583
Total Expenditure - Standard	3	571 357	700 551	727 945	842 801	839 480	839 480	888 377	940 045	1 007 351
Surplus/(Deficit) for the year		3 363	82 696	82 460	13 345	20 356	20 356	43 428	45 023	61 509

EXPLANATORY NOTES

Table A2: Budgeted Financial Performance (revenue and expenditure by standard classification)

Revenue – Standard

Function: Governance and Administration

Sub-function: Corporate Services

Decrease in income due to the correct accounting treatment of leave gratuity. No budgetary provision should be made as all transactions having a bearing on the previous leave cycle, should be expensed directly against the provision.

Function: Community and Public Safety

Sub-function: Housing

Information includes all capital grant transfers. The steep increase is as a result of the downwards adjustment of the 2011/2012 grant allocation actioned by Provincial Treasury during their adjustments budget process which resulted in the Sustainable Human Settlements Grant being reduced with R28m in the current financial year. Further fluctuations are also due to the amounts appropriated for the municipality in the Provincial Gazette.

Function: Economic and Environmental Services

Sub-function: Roads

Information includes all capital grant transfers. For the financial year 2011/2012 the funding from National Treasury (Municipal Infrastructure Grant) as well as funding from Provincial Treasury (Accelerated Housing Delivery Grant and Maintenance of Proclaimed Roads Grant) was included whilst in the new financial year only R940 000 from the National Treasury (Municipal Infrastructure Grant) grant allocated to this service.

Function: Trading Services

Sub-function: Electricity: Electricity Distribution

Increase due to annual tariff increase.

Function: Trading Services

Sub-function: Water: Water Distribution

Increase due to annual tariff increase.

Function: Trading Services

Sub-function: Waste Water Management: Sewerage

Increase due to annual tariff increase as well as the inclusion of R24m capital grant for the waste water treatment works.

Function: Trading Services

Sub-function: Waste Management: Solid Waste

Increase due to annual tariff increase.

EXPLANATORY NOTES

Table A2: Budgeted Financial Performance (revenue and expenditure by standard classification)

Expenditure – Standard

Function: Governance and Administration

Sub-function: Executive and Council

Decrease in expenditure due to the elimination of non-priority spending, ie excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages.

Function: Governance and Administration

Sub-function: Corporate Services: Human Resources

Decrease in expenditure due to the correct accounting treatment of leave gratuity. No budgetary provision should be made as all transactions linked to the previous leave cycle should be expensed directly against the provision.

Function: Governance and Administration

Sub-function: Corporate Services: Property Services

Steep increase due to the centralization of Rental of offices in order to streamline processes and manage the function more effectively.

Function: Governance and Administration

Sub-function: Budget and Treasury Office

Decrease due to the correction of the accounting treatment of the national equitable share.

Function: Governance and Administration

Sub-function: Corporate Services: Other Admin

Drop in expenditure is due to the sharp decrease in the budgeted amounts for legal cost.

Function: Trading Services

Sub-function: Electricity: Electricity Distribution

Increase in electricity due to the annual bulk tariff increase regulated by NERSA. The applicable increase is 13.50%.

WC024 Stellenbosch - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER'S OFFICE		–	247	1	1	1	1	1	1	1
Vote 2 - PLANNING AND DEVELOPMENT		20 925	99 180	35 830	57 305	39 609	39 609	56 008	50 478	53 205
Vote 3 - COMMUNITY SERVICES		6 283	7 037	8 058	4 956	5 161	5 161	6 145	4 062	4 300
Vote 4 - 0		–	–	–	–	–	–	–	–	–
Vote 5 - CIVIL ENGINEERING SERVICES		342 949	434 062	514 972	526 013	542 314	542 314	599 921	645 798	710 205
Vote 6 - PUBLIC SAFETY		25 925	23 698	21 430	23 184	23 684	23 684	24 343	25 560	27 094
Vote 7 - CORPORATE SERVICES		1 145	2 262	1 588	3 752	4 133	4 133	1 131	1 187	1 258
Vote 8 - 0		–	–	–	–	–	–	–	–	–
Vote 9 - FINANCIAL SERVICES		177 494	216 760	228 524	240 935	244 935	244 935	244 256	257 981	272 796
Vote 10 - 0		–	–	–	–	–	–	–	–	–
Vote 11 - 0		–	–	–	–	–	–	–	–	–
Vote 12 - 0		–	–	–	–	–	–	–	–	–
Vote 13 - 0		–	–	–	–	–	–	–	–	–
Vote 14 - 0		–	–	–	–	–	–	–	–	–
Vote 15 - 0		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	574 721	783 246	810 405	856 146	859 836	859 836	931 805	985 067	1 068 860
Expenditure by Vote to be appropriated	1									
Vote 1 - MUNICIPAL MANAGER'S OFFICE		14 548	13 285	18 307	18 438	21 853	21 853	16 821	17 424	18 144
Vote 2 - PLANNING AND DEVELOPMENT		55 932	52 638	66 648	73 196	60 463	60 463	81 146	70 949	74 580
Vote 3 - COMMUNITY SERVICES		46 342	50 315	51 478	52 534	54 154	54 154	54 218	56 064	57 945
Vote 4 - 0		–	–	–	–	–	–	–	–	–
Vote 5 - CIVIL ENGINEERING SERVICES		273 954	489 041	436 819	522 235	523 872	523 872	571 489	621 198	676 375
Vote 6 - PUBLIC SAFETY		54 842	48 867	56 216	60 017	61 630	61 630	64 744	68 128	71 686
Vote 7 - CORPORATE SERVICES		41 653	24 574	30 630	47 768	48 593	48 593	42 328	44 833	46 159
Vote 8 - 0		–	–	–	–	–	–	–	–	–
Vote 9 - FINANCIAL SERVICES		84 085	21 831	67 847	68 613	68 915	68 915	57 630	61 450	62 462
Vote 10 - 0		–	–	–	–	–	–	–	–	–
Vote 11 - 0		–	–	–	–	–	–	–	–	–
Vote 12 - 0		–	–	–	–	–	–	–	–	–
Vote 13 - 0		–	–	–	–	–	–	–	–	–
Vote 14 - 0		–	–	–	–	–	–	–	–	–
Vote 15 - 0		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	571 357	700 551	727 945	842 801	839 480	839 480	888 377	940 045	1 007 351
Surplus/(Deficit) for the year	2	3 363	82 696	82 460	13 345	20 356	20 356	43 428	45 023	61 509

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

WC024 Stellenbosch - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER'S OFFICE		–	247	1	1	1	1	1	1	1
MUNICIPAL MANAGER'S OFFICE		–	–	–	–	–	–	–	–	–
CORPORATE STRATEGY		–	–	–	–	–	–	–	–	–
LOCAL ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–	–	–
INTERNAL AUDIT UNIT		–	–	–	–	–	–	–	–	–
LEGAL SERVICES		–	247	1	1	1	1	1	1	1
SECRETARIATE & ADMINISTRATION		–	–	–	–	–	–	–	–	–
Vote 2 - PLANNING AND DEVELOPMENT		20 925	99 180	35 830	57 305	39 609	39 609	56 008	50 478	53 205
PLANNING AND DEVELOPMENT GENERA		–	4 563	1 686	–	–	–	–	–	–
BUILDING CONTROL		3 381	2 812	3 828	2 721	2 721	2 721	3 058	3 221	3 421
TOWN PLANNING		206	163	152	161	161	161	171	181	192
TOWN DEVELOPMENT		–	20	–	–	–	–	–	–	–
INTEGRATED HUMAN SETTLEMENTS		9 891	20 565	20 430	40 073	22 309	22 309	37 521	30 966	32 515
PROPERTY MANAGEMENT		–	–	23	4 563	4 563	4 563	4 900	5 145	5 454
FACILITIES MANAGEMENT		–	62 655	714	–	–	–	–	–	–
HOUSING ADMINISTRATION		7 447	8 401	8 997	9 788	9 856	9 856	10 357	10 965	11 623
Vote 3 - COMMUNITY SERVICES		6 283	7 037	8 058	4 956	5 161	5 161	6 145	4 062	4 300
COMMUNITY SERVICES GENERAL		126	237	366	287	309	309	273	288	300
PARKS AND RIVERS		3 722	3 405	3 835	2 040	2 040	2 040	2 658	2 254	2 389
SPORTSGROUNDS AND PICNIC SITES		894	1 587	1 570	192	192	192	202	212	224
CEMETERIES		617	614	707	691	691	691	726	762	808
HALLS		330	408	435	402	402	402	422	444	470
LIBRARIES		568	785	1 144	1 343	1 526	1 526	1 343	102	108
HOUSING ADMINISTRATION		–	–	–	–	–	–	–	–	–
AREA CLEANING		26	–	–	–	–	–	521	–	–
Vote 5 - CIVIL ENGINEERING SERVICES		342 949	434 062	514 972	526 013	542 314	542 314	599 921	645 798	710 205
CIVIL ENGINEERING GENERAL		–	–	–	–	–	–	–	–	–
REFUSE REMOVAL		28 280	30 715	38 295	38 972	33 972	33 972	39 132	47 456	51 080
SEWERAGE		41 872	54 165	60 656	68 981	76 697	76 697	93 341	81 487	116 779
ROADS AND STORMWATER		11 778	19 770	20 233	5 839	16 040	16 040	3 280	3 306	1 107
WATER SERVICES		64 125	76 751	89 076	75 033	78 418	78 418	88 312	105 182	96 213
ELECTRICAL ENGINEERING SERVICE		196 894	252 661	306 712	337 187	337 187	337 187	375 856	408 366	445 027
CLIENT SERVICES		–	–	–	–	–	–	–	–	–
SYSTEM OPERATIONS		–	–	–	–	–	–	–	–	–
Vote 6 - PUBLIC SAFETY		25 925	23 698	21 430	23 184	23 684	23 684	24 343	25 560	27 094
PUBLIC SAFETY GENERAL		–	–	–	–	–	–	–	–	–
FIRE SERVICES		13	45	48	49	49	49	52	54	58
TRAFFIC SERVICES		25 911	22 773	21 199	23 135	23 135	23 135	24 292	25 506	27 037
DISASTER MANAGEMENT		–	–	–	–	–	–	–	–	–
LAW ENFORCEMENT		1	880	183	–	500	500	–	–	–
LOGISTICS & FLEET MANAGEMENT		–	–	–	–	–	–	–	–	–
Vote 7 - CORPORATE SERVICES		1 145	2 262	1 588	3 752	4 133	4 133	1 131	1 187	1 258
CORPORATE SERVICES GENERAL		–	–	(1)	–	–	–	–	–	–
HUMAN RESOURCES		503	1 373	258	3 222	3 602	3 602	881	926	981
PROPERTY MANAGEMENT		–	–	–	–	–	–	–	–	–
SECRETARIATE AND ADMINISTRATIO		–	–	–	–	–	–	–	–	–
COUNCIL GENERAL AND SUPPORT		549	666	1 261	312	312	312	20	21	22
FACILITIES MANAGEMENT		–	–	–	–	–	–	–	–	–
INFORMATION TECHNOLOGY		–	–	–	–	–	–	–	–	–
CORPORATE STRATEGY		–	–	–	–	–	–	–	–	–
LOCAL ECONOMIC DEVELOPMENT		93	223	70	218	218	218	229	240	255
Vote 9 - FINANCIAL SERVICES		177 494	216 760	228 524	240 935	244 935	244 935	244 256	257 981	272 796
FINANCIAL SERVICES GENERAL		154 872	205 737	211 865	203 808	207 808	207 808	223 066	235 685	249 163
STORES		5	10	2	7	7	7	7	8	8
SUPPLY CHAIN MANAGEMENT		34	104	162	143	143	143	151	160	170
FREE BASIC SERVICES		22 582	10 908	16 496	36 977	36 977	36 977	21 031	22 127	23 455
INFORMATION TECHNOLOGY		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	574 721	783 246	810 405	856 146	859 836	859 836	931 805	985 067	1 068 860

WC024 Stellenbosch - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER'S OFFICE		14 548	13 285	18 307	18 438	21 853	21 853	16 821	17 424	18 144
MUNICIPAL MANAGER'S OFFICE		3 558	4 432	3 711	8 087	5 397	5 397	5 108	5 396	5 661
CORPORATE STRATEGY		-	-	-	-	-	-	-	-	-
LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
INTERNAL AUDIT UNIT		2 694	757	1 764	3 119	3 036	3 036	3 995	3 484	3 438
LEGAL SERVICES		6 156	5 323	10 475	4 614	10 802	10 802	5 181	5 877	6 243
SECRETARIATE & ADMINISTRATION		2 140	2 773	2 357	2 618	2 618	2 618	2 537	2 666	2 802
Vote 2 - PLANNING AND DEVELOPMENT		55 932	52 638	66 648	73 196	60 463	60 463	81 146	70 949	74 580
PLANNING AND DEVELOPMENT GENERA		3 609	3 646	4 730	4 608	2 916	2 916	3 141	3 176	3 215
BUILDING CONTROL		4 435	5 270	6 058	6 310	6 262	6 262	6 253	6 574	6 910
TOWN PLANNING		4 572	4 692	4 504	5 365	5 365	5 365	5 740	6 026	6 325
TOWN DEVELOPMENT		3 197	521	585	2 635	2 635	2 635	2 658	2 712	2 766
INTEGRATED HUMAN SETTLEMENTS		23 941	20 447	26 211	21 243	10 135	10 135	21 556	8 002	8 290
PROPERTY MANAGEMENT		-	-	472	1 369	1 399	1 399	7 603	8 324	8 906
FACILITIES MANAGEMENT		7 733	8 457	14 712	15 098	14 473	14 473	16 843	17 816	18 827
HOUSING ADMINISTRATION		8 445	9 604	9 376	16 567	17 278	17 278	17 352	18 320	19 340
Vote 3 - COMMUNITY SERVICES		46 342	50 315	51 478	52 534	54 154	54 154	54 218	56 064	57 945
COMMUNITY SERVICES GENERAL		4 792	5 835	6 964	7 731	7 882	7 882	6 609	6 918	7 241
PARKS AND RIVERS		19 432	21 914	17 730	19 165	19 200	19 200	19 966	20 963	20 925
SPORTSGROUNDS AND PICNIC SITES		6 788	6 642	8 690	6 972	7 176	7 176	7 271	7 664	8 028
CEMETERIES		1 993	1 816	1 999	1 905	1 911	1 911	1 793	1 894	1 999
HALLS		2 491	2 390	2 748	2 696	2 698	2 698	2 918	3 082	3 255
LIBRARIES		5 742	6 488	7 792	8 518	8 701	8 701	8 636	7 776	8 183
HOUSING ADMINISTRATION		-	-	-	-	-	-	-	-	-
AREA CLEANING		5 104	5 230	5 554	5 548	6 585	6 585	7 025	7 766	8 314
Vote 5 - CIVIL ENGINEERING SERVICES		273 954	489 041	436 819	522 235	523 872	523 872	571 489	621 198	676 375
CIVIL ENGINEERING GENERAL		5 964	4 240	5 900	7 517	7 747	7 747	6 529	6 852	7 192
REFUSE REMOVAL		22 705	40 881	25 669	30 889	31 417	31 417	33 153	35 123	36 904
SEWERAGE		27 249	58 048	37 937	52 017	50 356	50 356	56 991	60 508	64 352
ROADS AND STORMWATER		20 586	44 520	47 745	52 592	51 212	51 212	52 847	55 014	57 009
WATER SERVICES		44 299	98 742	63 634	69 851	68 223	68 223	72 302	76 252	80 455
ELECTRICAL ENGINEERING SERVICE		122 001	164 103	203 216	257 414	260 899	260 899	291 300	325 271	364 298
CLIENT SERVICES		24 936	2 655	4 812	4 145	6 150	6 150	6 717	7 387	7 789
SYSTEM OPERATIONS		6 215	75 852	47 906	47 810	47 868	47 868	51 650	54 791	58 375
Vote 6 - PUBLIC SAFETY		54 842	48 867	56 216	60 017	61 630	61 630	64 744	68 128	71 686
PUBLIC SAFETY GENERAL		2 886	2 894	3 750	4 377	4 723	4 723	6 702	7 023	7 360
FIRE SERVICES		14 183	15 552	16 634	16 564	16 582	16 582	17 396	18 296	19 245
TRAFFIC SERVICES		30 198	29 141	30 650	33 137	33 121	33 121	32 497	34 272	36 254
DISASTER MANAGEMENT		816	331	984	336	316	316	(341)	(373)	(398)
LAW ENFORCEMENT		6 758	948	4 198	5 603	6 888	6 888	8 175	8 573	8 958
LOGISTICS & FLEET MANAGEMENT		-	-	-	-	1	1	316	338	267
Vote 7 - CORPORATE SERVICES		41 653	24 574	30 630	47 768	48 593	48 593	42 328	44 833	46 159
CORPORATE SERVICES GENERAL		3 822	5 065	4 666	2 970	3 055	3 055	3 093	3 257	3 430
HUMAN RESOURCES		8 146	3 070	4 159	8 438	8 419	8 419	4 797	4 407	4 593
PROPERTY MANAGEMENT		2 294	622	2 062	886	886	886	615	624	632
SECRETARIATE AND ADMINISTRATIO		205	278	232	37	37	37	156	163	170
COUNCIL GENERAL AND SUPPORT		19 598	9 764	14 942	30 411	30 855	30 855	29 522	32 105	32 868
FACILITIES MANAGEMENT		-	-	-	-	-	-	-	-	-
INFORMATION TECHNOLOGY		-	-	-	-	-	-	-	-	-
CORPORATE STRATEGY		4 207	2 808	1 674	1 970	1 885	1 885	1 501	1 491	1 532
LOCAL ECONOMIC DEVELOPMENT		3 381	2 965	2 895	3 055	3 455	3 455	2 644	2 786	2 934
Vote 9 - FINANCIAL SERVICES		84 085	21 831	67 847	68 613	68 915	68 915	57 630	61 450	62 462
FINANCIAL SERVICES GENERAL		57 256	9 811	55 703	27 076	27 041	27 041	31 463	33 976	33 437
STORES		23	23	(666)	411	407	407	366	380	393
SUPPLY CHAIN MANAGEMENT		60	84	60	68	68	68	72	76	80
FREE BASIC SERVICES		22 622	10 908	9 995	36 977	36 977	36 977	21 031	22 127	23 455
INFORMATION TECHNOLOGY		4 124	1 004	2 754	4 081	4 422	4 422	4 697	4 892	5 096
Total Expenditure by Vote	2	571 357	700 551	727 945	842 801	839 480	839 480	888 377	940 045	1 007 351
Surplus/(Deficit) for the year	2	3 363	82 696	82 460	13 345	20 356	20 356	43 428	45 023	61 509

EXPLANATORY NOTES

Table A3: Budgeted Financial Performance (revenue and expenditure by municipal vote)

Revenue by Vote

PLANNING AND DEVELOPMENT

Integrated Human Settlements

Information includes all capital grant transfers. The steep increase is as a result of the downwards adjustment of the 2011/2012 grant allocation actioned by Provincial Treasury during their adjustments budget process which resulted in the Sustainable Human Settlements Grant being reduced with R28m in the current financial year. Further fluctuations are also due to the amounts appropriated for the municipality in the Provincial.

ENGINEERING SERVICES

Sewerage

Increase due to annual tariff increase as well as the inclusion of a R24m capital grant (MIG) for the waste water treatment works.

PUBLIC SAFETY

Law Enforcement

Decrease in funding due to grant/donation (Syntel funds) only applicable for the current year.

FINANCIAL SERVICES

Free Basic Services

Decrease due to the correction of the accounting treatment of the national equitable share.

Expenditure by Vote

MUNICIPAL MANAGER'S OFFICE

Legal Services

Drop in expenditure is due to the sharp decrease in the budgeted amounts for legal costs for the 2012/2013 financial year.

PLANNING AND DEVELOPMENT

Integrated Human Settlements

Expenditure increase is due to the inclusion of a larger portion of the grant allocation as top structure (operational expenditure). The fluctuation in this vote is purely due to the amount of top structure included in the budget over the MTREF.

Property Management

Steep increase due to the centralization of Rental of offices in order to streamline processes and manage the function more effectively.

ENGINEERING SERVICES

General

The decrease in expenditure for this department is due to the removal of the budget for rental of offices which is now centralized.

Electrical Engineering

Increase is due to the annual tariff increase regulated by NERSA. The applicable increase is 13.50% for 2012/2013.

PUBLIC SAFETY**Law Enforcement**

Increase in the budget is due to the centralization of the security vote.

CORPORATE SERVICES**Human Resources**

Decrease in expenditure due to the correct accounting treatment of leave gratuity. No budgetary provision should be made as all transactions linked to the previous leave cycle should be expensed directly against the provision.

Council General and Support

Decrease in expenditure due to the elimination of non-priority spending, ie excessive catering for meetings and other events, including the use of public funds to buy alcoholic beverages.

Local Economic Development

Slight decrease in the budget due to priority projects being addressed in the current year already.

FINANCIAL SERVICES**Free Basic Services**

Decrease due to the correction of the accounting treatment of the National Equitable Share Allocation(National funding for access to free basic services)..

WC024 Stellenbosch - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source												
Property rates	2		117 471	179 194	183 291	179 197	183 197	183 197	183 197	197 092	208 176	219 881
Property rates - penalties & collection charges			1 648	2 132	2 373	2 351	2 351	2 351	2 351	2 469	2 592	2 748
Service charges - electricity revenue	2		183 711	237 391	302 890	332 001	332 001	332 001	332 001	366 592	407 038	443 620
Service charges - water revenue	2		60 019	70 172	82 233	69 677	72 177	72 177	72 177	76 805	81 632	86 557
Service charges - sanitation revenue	2		34 454	42 223	42 709	46 896	46 896	46 896	46 896	51 274	56 110	61 441
Service charges - refuse revenue	2		23 242	25 240	26 949	27 936	27 936	27 936	27 936	32 934	35 732	38 769
Service charges - other			–	44	80	–	–	–	–	–	–	–
Rental of facilities and equipment			8 669	9 980	11 595	13 236	13 236	13 236	13 236	14 082	14 868	15 761
Interest earned - external investments			30 243	19 752	19 757	18 592	18 592	18 592	18 592	19 707	20 890	22 143
Interest earned - outstanding debtors			3 161	4 226	4 072	4 696	4 696	4 696	4 696	4 965	5 250	5 565
Dividends received			–	–	–	–	–	–	–	–	–	–
Fines			15 931	16 519	14 061	16 474	16 474	16 474	16 474	17 299	18 165	19 255
Licences and permits			3 843	4 063	4 462	4 483	4 483	4 483	4 483	4 709	4 947	5 244
Agency services			1 007	1 013	1 128	1 117	1 117	1 117	1 117	1 172	1 231	1 305
Transfers recognised - operational			35 851	43 718	60 162	75 500	65 653	65 653	65 653	60 499	47 651	51 421
Other revenue	2		19 991	76 374	18 002	14 036	14 036	14 036	14 036	11 971	12 608	13 372
Gains on disposal of PPE			–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			539 240	732 042	773 764	806 191	802 843	802 843	802 843	861 571	916 890	987 080
Expenditure By Type												
Employee related costs	2		179 687	209 039	220 366	232 877	232 937	232 937	232 937	246 214	258 772	271 970
Remuneration of councillors			5 668	5 790	6 112	12 249	12 249	12 249	12 249	12 862	13 505	14 180
Debt impairment	3		2 488	15 345	15 205	–	–	–	–	–	–	–
Depreciation & asset impairment	2		42 389	119 482	90 603	111 681	111 681	111 681	111 681	113 922	116 213	118 549
Finance charges			3 218	2 825	3 752	7 400	7 400	7 400	7 400	11 538	12 231	13 811
Bulk purchases	2		106 339	137 873	173 671	219 189	223 269	223 269	223 269	252 103	285 122	322 627
Other materials	8		–	–	–	–	–	–	–	–	–	–
Contracted services			6 007	6 530	8 165	10 295	9 784	9 784	9 784	12 076	13 154	14 029
Transfers and grants			14 879	14 157	12 980	22 462	23 762	23 762	23 762	26 016	27 453	29 031
Other expenditure	4, 5		209 879	189 416	197 087	226 648	218 398	218 398	218 398	213 646	213 596	223 153
Loss on disposal of PPE			–	94	3	–	–	–	–	–	–	–
Total Expenditure			570 554	700 551	727 945	842 801	839 480	839 480	839 480	888 377	940 045	1 007 351
Surplus/(Deficit)			(31 314)	31 491	45 819	(36 611)	(36 637)	(36 637)	(36 637)	(26 806)	(23 154)	(20 271)
Transfers recognised - capital	6		35 480	51 205	36 641	49 955	56 993	56 993	56 993	70 234	68 177	81 780
Contributions recognised - capital			–	–	–	–	–	–	–	–	–	–
Contributed assets			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions			4 166	82 696	82 460	13 345	20 356	20 356	20 356	43 428	45 023	61 509
Taxation			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation			4 166	82 696	82 460	13 345	20 356	20 356	20 356	43 428	45 023	61 509
Attributable to minorities			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality			4 166	82 696	82 460	13 345	20 356	20 356	20 356	43 428	45 023	61 509
Share of surplus/ (deficit) of associate	7		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year			4 166	82 696	82 460	13 345	20 356	20 356	20 356	43 428	45 023	61 509

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method

EXPLANATORY NOTES

Table A4: Budgeted Financial Performance (revenue and expenditure)

Revenue by Source

Property Rates

In the 2012/2013 financial year, the Property Taxes paid by owners will increase by only 5.9%, whilst total rates income will increase by 7.55% as a result of projected natural growth and completed developments to be included in the income base.

Water

Proposed revenue is based on the anticipated actual performance of the income to be derived in the 2011/2012 financial year and not based on the approved budget for the same year. Therefore the increase in income is more than the revenue to be derived from the average tariff increase of 6%.

Sewerage

Proposed revenue is based on the anticipated actual performance of the income to be derived in the 2011/2012 financial year and not based on the approved budget for the same year. Therefore the increase in income is more than the revenue to be derived from the average tariff increase of 9.5%.

Refuse

Proposed revenue is based on the anticipated actual performance of the income to be derived in the 2011/2012 financial year and not based on the approved budget for the same year. Therefore the increase in income is more than the revenue to be derived from the average tariff increase of 8.5%.

Transfers recognized - operational

Decrease due to the correction of the accounting treatment of the national equitable share.

Other revenue

Decrease in income due to the correct accounting treatment of leave gratuity. No budgetary provision should be made as all transactions in terms of the previous leave cycle should be expensed directly against the provision.

Expenditure by type

Other expenditure

Refer to attachment of Table A1 for detail.

WC024 Stellenbosch - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	17 506	68 267	72 515
Vote 3 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 4 - 0		-	-	-	-	-	-	-	-	-	-
Vote 5 - CIVIL ENGINEERING SERVICES		-	-	-	-	-	-	-	94 101	76 561	73 000
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	2 060	500	500
Vote 7 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - 0		-	-	-	-	-	-	-	-	-	-
Vote 9 - FINANCIAL SERVICES		-	-	-	-	-	-	-	200	-	-
Vote 10 - 0		-	-	-	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	113 867	145 328	146 015
Single-year expenditure to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER'S OFFICE		3 934	374	50	60	60	60	60	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT		19 947	30 038	5 594	39 508	32 894	32 894	32 894	19 877	12 199	8 000
Vote 3 - COMMUNITY SERVICES		(28 583)	29 472	9 049	7 268	7 061	7 061	7 061	3 490	4 582	2 775
Vote 4 - 0		-	-	-	-	-	-	-	-	-	-
Vote 5 - CIVIL ENGINEERING SERVICES		1 521 184	81 806	94 676	146 349	164 237	164 237	164 237	44 790	59 164	83 677
Vote 6 - PUBLIC SAFETY		17 255	3 951	1 709	2 856	2 826	2 826	2 826	1 385	-	-
Vote 7 - CORPORATE SERVICES		9 349	278	508	455	455	455	455	135	-	-
Vote 8 - 0		-	-	-	-	-	-	-	-	-	-
Vote 9 - FINANCIAL SERVICES		9 661	2 622	1 633	2 570	2 570	2 570	2 570	2 200	1 870	2 070
Vote 10 - 0		-	-	-	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		1 552 749	148 540	113 218	199 066	210 104	210 104	210 104	71 877	77 815	96 522
Total Capital Expenditure - Vote		1 552 749	148 540	113 218	199 066	210 104	210 104	210 104	185 744	223 143	242 537
Capital Expenditure - Standard											
Governance and administration		(194 654)	7 782	5 140	10 040	10 190	10 190	10 190	15 905	51 520	51 720
Executive and council		12 363	646	50	60	60	60	60	-	-	-
Budget and treasury office		-	-	510	570	570	570	570	550	70	70
Corporate services		(207 017)	7 136	4 580	9 410	9 560	9 560	9 560	15 355	51 450	51 650
Community and public safety		210 297	54 614	9 386	42 607	35 606	35 606	35 606	32 718	38 788	36 240
Community and social services		(5 688)	1 901	1 329	1 593	1 210	1 210	1 210	900	790	-
Sport and recreation		(16 276)	27 023	5 509	5 675	5 851	5 851	5 851	2 245	3 032	2 225
Public safety		5 072	3 240	863	2 856	2 826	2 826	2 826	2 295	500	500
Housing		232 617	22 451	1 685	32 483	25 719	25 719	25 719	27 278	34 466	33 515
Health		(5 429)	-	-	-	-	-	-	-	-	-
Economic and environmental services		607 064	30 201	36 121	19 159	29 360	29 360	29 360	20 453	22 801	22 425
Planning and development		20 905	4 801	1 813	70	70	70	70	234	-	-
Road transport		586 925	25 400	34 308	19 089	29 290	29 290	29 290	19 904	22 091	21 925
Environmental protection		(766)	-	-	-	-	-	-	315	710	500
Trading services		884 795	55 943	62 571	126 260	133 948	133 948	133 948	116 637	109 984	132 102
Electricity		459 402	27 613	4 688	23 783	29 878	29 878	29 878	40 656	17 994	16 357
Water		258 778	5 939	18 162	14 600	17 017	17 017	17 017	24 290	55 340	84 195
Waste water management		157 031	16 173	27 530	56 307	62 683	62 683	62 683	44 786	30 800	25 700
Waste management		9 584	6 218	12 191	31 570	24 370	24 370	24 370	6 905	5 850	5 850
Other		45 246	-	-	1 000	1 000	1 000	1 000	30	50	50
Total Capital Expenditure - Standard	3	1 552 749	148 540	113 218	199 066	210 104	210 104	210 104	185 744	223 143	242 537
Funded by:											
National Government		14 216	31 225	18 537	20 955	25 955	25 955	25 955	39 220	36 815	48 365
Provincial Government		(2 260)	21 440	10 098	29 000	31 038	31 038	31 038	31 014	31 362	33 415
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		10 985	11 040	7 849	-	-	-	-	-	-	-
Transfers recognised - capital	4	22 942	63 705	36 484	49 955	56 993	56 993	56 993	70 234	68 177	81 780
Public contributions & donations	5	(7 255)	144	4 294	7 593	7 685	7 685	7 685	12 958	1 222	-
Borrowing	6	(131)	11 124	25 006	47 048	59 335	59 335	59 335	23 777	69 142	65 700
Internally generated funds		1 537 193	73 567	47 434	94 470	86 090	86 090	86 090	78 774	84 602	95 057
Total Capital Funding	7	1 552 749	148 540	113 218	199 066	210 104	210 104	210 104	185 744	223 143	242 537

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by standard classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
7. Total Capital Funding must balance with Total Capital Expenditure
8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

WC024 Stellenbosch - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Capital expenditure - Municipal Vote	2										
Multi-year expenditure appropriation											
Vote 1 - MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-	-	-	-	-
MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-	-	-	-	-
CORPORATE STRATEGY		-	-	-	-	-	-	-	-	-	-
LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
INTERNAL AUDIT UNIT		-	-	-	-	-	-	-	-	-	-
LEGAL SERVICES		-	-	-	-	-	-	-	-	-	-
SECRETARIATE & ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	17 506	68 267	72 515
PLANNING AND DEVELOPMENT GENERAL		-	-	-	-	-	-	-	-	-	-
BUILDING CONTROL		-	-	-	-	-	-	-	-	-	-
TOWN PLANNING		-	-	-	-	-	-	-	-	-	-
TOWN DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
INTEGRATED HUMAN SETTLEMENTS		-	-	-	-	-	-	-	12 506	28 267	32 515
PROPERTY MANAGEMENT		-	-	-	-	-	-	-	-	-	-
FACILITIES MANAGEMENT		-	-	-	-	-	-	-	5 000	40 000	40 000
HOUSING ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
Vote 3 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
COMMUNITY SERVICES GENERAL		-	-	-	-	-	-	-	-	-	-
PARKS AND RIVERS		-	-	-	-	-	-	-	-	-	-
SPORTSGROUNDS AND PICNIC SITES		-	-	-	-	-	-	-	-	-	-
CEMETERIES		-	-	-	-	-	-	-	-	-	-
HALLS		-	-	-	-	-	-	-	-	-	-
LIBRARIES		-	-	-	-	-	-	-	-	-	-
HOUSING ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
AREA CLEANING		-	-	-	-	-	-	-	-	-	-
Vote 5 - CIVIL ENGINEERING SERVICES		-	-	-	-	-	-	-	94 101	76 561	73 000
CIVIL ENGINEERING GENERAL		-	-	-	-	-	-	-	-	-	-
REFUSE REMOVAL		-	-	-	-	-	-	-	4 450	5 500	5 500
SEWERAGE		-	-	-	-	-	-	-	42 796	26 600	20 500
ROADS AND STORMWATER		-	-	-	-	-	-	-	14 164	19 361	17 950
WATER SERVICES		-	-	-	-	-	-	-	16 250	21 950	25 900
ELECTRICAL ENGINEERING SERVICE		-	-	-	-	-	-	-	16 441	3 150	3 150
CLIENT SERVICES		-	-	-	-	-	-	-	-	-	-
SYSTEM OPERATIONS		-	-	-	-	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	2 060	500	500
PUBLIC SAFETY GENERAL		-	-	-	-	-	-	-	-	500	500
FIRE SERVICES		-	-	-	-	-	-	-	650	-	-
TRAFFIC SERVICES		-	-	-	-	-	-	-	410	-	-
DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
LAW ENFORCEMENT		-	-	-	-	-	-	-	1 000	-	-
LOGISTICS & FLEET MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
CORPORATE SERVICES GENERAL		-	-	-	-	-	-	-	-	-	-
HUMAN RESOURCES		-	-	-	-	-	-	-	-	-	-
PROPERTY MANAGEMENT		-	-	-	-	-	-	-	-	-	-
SECRETARIATE AND ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
COUNCIL GENERAL AND SUPPORT		-	-	-	-	-	-	-	-	-	-
FACILITIES MANAGEMENT		-	-	-	-	-	-	-	-	-	-
INFORMATION TECHNOLOGY		-	-	-	-	-	-	-	-	-	-
CORPORATE STRATEGY		-	-	-	-	-	-	-	-	-	-
LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - FINANCIAL SERVICES		-	-	-	-	-	-	-	200	-	-
FINANCIAL SERVICES GENERAL		-	-	-	-	-	-	-	200	-	-
STORES		-	-	-	-	-	-	-	-	-	-
SUPPLY CHAIN MANAGEMENT		-	-	-	-	-	-	-	-	-	-
FREE BASIC SERVICES		-	-	-	-	-	-	-	-	-	-
INFORMATION TECHNOLOGY		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total		-	-	-	-	-	-	-	113 867	145 328	146 015

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Capital expenditure - Municipal Vote	2										
Single-year expenditure appropriation											
Vote 1 - MUNICIPAL MANAGER'S OFFICE		3 934	374	50	60	60	60	60	-	-	-
MUNICIPAL MANAGER'S OFFICE		3 934	374	50	60	60	60	60	-	-	-
CORPORATE STRATEGY		-	-	-	-	-	-	-	-	-	-
LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
INTERNAL AUDIT UNIT		-	-	-	-	-	-	-	-	-	-
LEGAL SERVICES		-	-	-	-	-	-	-	-	-	-
SECRETARIATE & ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT		19 947	30 038	5 594	39 508	32 894	32 894	32 894	19 877	12 199	8 000
PLANNING AND DEVELOPMENT GENERA		37 954	4 796	1 813	70	70	70	70	234	-	-
BUILDING CONTROL		2 995	-	-	-	-	-	-	-	-	-
TOWN PLANNING		(15 519)	-	-	-	-	-	-	-	-	-
TOWN DEVELOPMENT		(7 211)	-	-	-	-	-	-	-	-	-
INTEGRATED HUMAN SETTLEMENTS		251 047	22 451	1 685	32 383	25 619	25 619	25 619	14 773	6 199	1 000
PROPERTY MANAGEMENT		-	-	833	-	-	-	-	-	-	-
FACILITIES MANAGEMENT		(230 889)	2 792	1 263	6 955	7 105	7 105	7 105	4 870	6 000	7 000
HOUSING ADMINISTRATION		(18 430)	-	-	100	100	100	100	-	-	-
Vote 3 - COMMUNITY SERVICES		(28 583)	29 472	9 049	7 268	7 061	7 061	7 061	3 490	4 582	2 775
COMMUNITY SERVICES GENERAL		(6 985)	568	736	400	-	-	-	100	-	-
PARKS AND RIVERS		(10 733)	3 774	2 336	3 360	3 360	3 360	3 360	690	3 025	2 555
SPORTSGROUNDS AND PICNIC SITES		(6 079)	23 249	3 173	2 315	2 507	2 507	2 507	1 900	767	220
CEMETERIES		1 005	625	400	576	576	576	576	-	-	-
HALLS		(4 352)	-	-	50	50	50	50	600	590	-
LIBRARIES		(1 439)	708	193	568	568	568	568	200	200	-
HOUSING ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
AREA CLEANING		-	-	2 211	-	-	-	-	-	-	-
Vote 5 - CIVIL ENGINEERING SERVICES		1 521 184	81 806	94 676	146 349	164 237	164 237	164 237	44 790	59 164	83 677
CIVIL ENGINEERING GENERAL		(680)	1 011	8	1 000	1 000	1 000	1 000	2 350	3 650	2 650
REFUSE REMOVAL		66 599	5 669	12 191	31 570	24 370	24 370	24 370	2 455	350	350
SEWERAGE		114 937	15 121	24 464	56 307	62 683	62 683	62 683	330	1 050	1 050
ROADS AND STORMWATER		622 148	26 453	35 162	19 089	29 290	29 290	29 290	7 400	5 880	8 125
WATER SERVICES		258 778	5 939	18 162	14 600	17 017	17 017	17 017	8 040	33 390	58 295
ELECTRICAL ENGINEERING SERVICE		459 402	27 613	4 688	252	252	252	252	24 215	14 844	13 207
CLIENT SERVICES		-	-	-	-	-	-	-	-	-	-
SYSTEM OPERATIONS		-	-	-	23 531	29 626	29 626	29 626	-	-	-
Vote 6 - PUBLIC SAFETY		17 255	3 951	1 709	2 856	2 826	2 826	2 826	1 385	-	-
PUBLIC SAFETY GENERAL		257	1 324	374	500	-	-	-	100	-	-
FIRE SERVICES		(3 033)	814	416	1 520	1 820	1 820	1 820	325	-	-
TRAFFIC SERVICES		2 164	1 103	73	240	333	333	333	810	-	-
DISASTER MANAGEMENT		1 165	-	-	-	-	-	-	-	-	-
LAW ENFORCEMENT		16 703	711	845	596	673	673	673	150	-	-
LOGISTICS & FLEET MANAGEMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - CORPORATE SERVICES		9 349	278	508	455	455	455	455	135	-	-
CORPORATE SERVICES GENERAL		-	-	139	375	375	375	375	-	-	-
HUMAN RESOURCES		(308)	256	347	80	80	80	80	-	-	-
PROPERTY MANAGEMENT		741	-	21	-	-	-	-	135	-	-
SECRETARIATE AND ADMINISTRATIO		5 878	-	-	-	-	-	-	-	-	-
COUNCIL GENERAL AND SUPPORT		238	-	-	-	-	-	-	-	-	-
FACILITIES MANAGEMENT		-	-	-	-	-	-	-	-	-	-
INFORMATION TECHNOLOGY		-	-	-	-	-	-	-	-	-	-
CORPORATE STRATEGY		2 801	21	-	-	-	-	-	-	-	-
LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - FINANCIAL SERVICES		9 661	2 622	1 633	2 570	2 570	2 570	2 570	2 200	1 870	2 070
FINANCIAL SERVICES GENERAL		8 080	272	510	570	570	570	570	350	70	70
STORES		(77)	-	-	-	-	-	-	-	-	-
SUPPLY CHAIN MANAGEMENT		-	-	-	-	-	-	-	-	-	-
FREE BASIC SERVICES		111	-	-	-	-	-	-	-	-	-
INFORMATION TECHNOLOGY		1 547	2 350	1 124	2 000	2 000	2 000	2 000	1 850	1 800	2 000
Capital single-year expenditure sub-total		1 552 749	148 540	113 218	199 066	210 104	210 104	210 104	71 877	77 815	96 522
Total Capital Expenditure		1 552 749	148 540	113 218	199 066	210 104	210 104	210 104	185 744	223 143	242 537

EXPLANATORY NOTES

Table A5: Budgeted Capital Expenditure by vote, standard classification and funding

Historic comparative information for “multi-year expenditure” is not available. Recent improvements to the financial system enabled us to extract information for future projections only.

WC024 Stellenbosch - Table A6 Budgeted Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
ASSETS											
Current assets											
Cash		16 436	21 333	23 802	19 290	19 290	19 290	19 290	12 568	13 541	23 802
Call investment deposits	1	198 463	224 973	301 227	270 416	287 989	287 989	287 989	298 029	297 284	279 778
Consumer debtors	1	55 706	78 820	98 368	110 751	110 751	110 751	110 751	117 633	135 562	155 019
Other debtors		25 649	9 476	11 464	12 152	12 152	12 152	12 152	12 480	12 929	13 472
Current portion of long-term receivables		348	307	153	198	198	198	198	185	186	189
Inventory	2	6 256	3 175	5 153	5 447	5 447	5 447	5 447	5 768	6 074	6 372
Total current assets		302 857	338 084	440 167	418 253	435 827	435 827	435 827	446 663	465 577	478 632
Non current assets											
Long-term receivables		881	505	805	950	950	950	950	965	972	975
Investments				-		-	-	-	-	-	-
Investment property		512 891	522 612	523 325	512 891	512 891	512 891	512 891	512 891	512 891	512 891
Investment in Associate				-		-	-	-	-	-	-
Property, plant and equipment	3	2 481 954	2 604 721	2 649 708	2 736 193	2 747 231	2 747 231	2 747 231	2 818 802	2 923 233	3 047 221
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		18 346	13 529	15 788	13 529	13 529	13 529	13 529	13 529	13 529	13 529
Intangible		1 276	199	192	900	900	900	900	1 150	3 650	3 650
Other non-current assets		529	555	65		-	-	-	-	-	-
Total non current assets		3 015 877	3 142 120	3 189 883	3 264 464	3 275 502	3 275 502	3 275 502	3 347 338	3 454 275	3 578 267
TOTAL ASSETS		3 318 734	3 480 204	3 630 050	3 682 717	3 711 328	3 711 328	3 711 328	3 794 001	3 919 852	4 056 899
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	1 538	4 602	3 783	3 713	3 713	3 713	3 713	4 012	5 527	6 097
Consumer deposits		7 633	8 212	9 375	9 650	9 650	9 650	9 650	9 745	9 750	9 755
Trade and other payables	4	139 676	149 528	157 649	108 713	108 713	108 713	108 713	103 042	99 957	100 350
Provisions		13 814	2 320	6 985	5 788	5 788	5 788	5 788	-	-	-
Total current liabilities		162 661	164 661	177 792	127 864	127 864	127 864	127 864	116 799	115 234	116 203
Non current liabilities											
Borrowing		25 468	35 199	37 759	84 807	93 381	93 381	93 381	113 146	176 761	236 364
Provisions		85 345	151 299	181 533	188 561	188 561	188 561	188 561	195 375	192 886	191 657
Total non current liabilities		110 814	186 498	219 292	273 368	281 942	281 942	281 942	308 521	369 647	428 021
TOTAL LIABILITIES		273 475	351 159	397 084	401 231	409 806	409 806	409 806	425 320	484 881	544 224
NET ASSETS	5	3 045 259	3 129 045	3 232 966	3 281 486	3 301 522	3 301 522	3 301 522	3 368 681	3 434 972	3 512 675
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		879 044	1 530 237	1 592 604	1 583 380	1 590 226	1 590 226	1 590 226	1 607 763	1 648 073	1 694 443
Reserves	4	2 166 215	1 598 808	1 640 361	1 698 106	1 711 297	1 711 297	1 711 297	1 760 917	1 786 899	1 818 232
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	3 045 259	3 129 045	3 232 966	3 281 486	3 301 522	3 301 522	3 301 522	3 368 681	3 434 972	3 512 675

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

WC024 Stellenbosch - Table A7 Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other	1	470 336	605 731	667 841	710 658	717 398	717 398	717 398	771 135	824 379	886 360
Government - operating		24 137	43 718	35 113	55 700	45 352	45 352	45 352	60 499	47 651	51 421
Government - capital		35 480	51 205	60 162	49 955	56 993	56 993	56 993	70 234	68 177	81 780
Interest		33 404	19 752	23 828	23 146	23 146	23 146	23 146	24 523	25 982	27 541
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees	1	(460 470)	(548 176)	(594 169)	(687 210)	(682 588)	(682 588)	(682 588)	(722 154)	(768 588)	(829 466)
Finance charges		(3 218)	(2 825)	(3 752)	(7 400)	(7 400)	(7 400)	(7 400)	(11 538)	(12 231)	(13 811)
Transfers and Grants		(1 293)	-	-	(22 462)	(23 762)	(23 762)	(23 762)	(26 016)	(27 453)	(29 031)
NET CASH FROM/(USED) OPERATING ACTIVITIES		98 377	169 404	189 022	122 388	129 139	129 139	129 139	166 684	157 918	174 795
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		102	1 046	4	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		54	417	(147)	7 593	7 593	7 593	7 593	324	324	324
Decrease (increase) in non-current investments		1 313	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(106 357)	(148 540)	(113 060)	(199 066)	(210 104)	(210 104)	(210 104)	(185 744)	(223 143)	(242 537)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(104 887)	(147 077)	(113 204)	(191 473)	(202 511)	(202 511)	(202 511)	(185 420)	(222 819)	(242 213)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	11 124	4 895	47 048	59 335	59 335	59 335	23 777	69 142	65 700
Increase (decrease) in consumer deposits		746	574	1 163	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(4 666)	(2 565)	(3 154)	(3 713)	(3 713)	(2 139)	(2 139)	(3 298)	(4 012)	(5 527)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3 920)	9 132	2 904	43 335	55 622	57 197	57 197	20 479	65 130	60 173
NET INCREASE/ (DECREASE) IN CASH HELD		(10 431)	31 460	78 722	(25 751)	(17 749)	(16 175)	(16 175)	1 743	228	(7 245)
Cash/cash equivalents at the year begin:	2	225 277	214 846	246 306	315 457	325 029	325 029	325 029	308 854	310 597	310 825
Cash/cash equivalents at the year end:	2	214 846	246 306	325 029	289 706	307 279	308 854	308 854	310 597	310 825	303 580

References

- 1. Local/District municipalities to include transfers from/to District/Local Municipalities
- 2. Cash equivalents includes investments with maturities of 3 months or less

WC024 Stellenbosch - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	214 846	246 306	325 029	289 706	307 279	308 854	308 854	310 597	310 825	303 580
Other current investments > 90 days		52	(0)	(0)	–	–	(1 574)	(1 574)	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		214 898	246 306	325 029	289 706	307 279	307 279	307 279	310 597	310 825	303 580
Application of cash and investments											
Unspent conditional transfers		76 294	58 610	57 096	26 354	26 354	26 354	26 354	23 456	21 500	21 225
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	(143 442)	(171 096)	(204 099)	(204 492)	(204 549)	(204 549)	(204 549)	(208 577)	(221 483)	(240 995)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(67 147)	(112 485)	(147 003)	(178 137)	(178 194)	(178 194)	(178 194)	(185 121)	(199 983)	(219 770)
Surplus(shortfall)		282 045	358 792	472 031	467 843	485 473	485 473	485 473	495 718	510 808	523 351

- References
1. Must reconcile with Budgeted Cash Flows
 2. For example: VAT, taxation
 3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
 4. For example: sinking fund requirements for borrowing
 5. Council approval required for each reserve created and basis of cash backing of reserves

WC024 Stellenbosch - Table A9 Asset Management

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	1 765 907	150 988	113 218	122 914	107 749	107 749	146 270	171 744	181 837
Infrastructure - Road transport		627 463	17 784	27 102	6 120	12 520	12 520	10 758	14 315	12 825
Infrastructure - Electricity		332 866	14 511	2 960	17 207	4 593	4 593	20 900	4 250	4 250
Infrastructure - Water		422 705	6 592	29 436	16 150	18 035	18 035	51 951	51 840	38 130
Infrastructure - Sanitation		101 282	12 814	8 148	1 078	1 578	1 578	4 780	7 100	35 165
Infrastructure - Other		22 504	8 038	17 512	27 195	19 995	19 995	3 840	57	-
Infrastructure		1 506 819	59 740	85 159	67 750	56 721	56 721	92 229	77 562	90 370
Community		(313 692)	74 515	11 057	39 551	35 295	35 295	13 455	53 845	50 135
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		2 247	-	1 126	900	900	900	250	2 500	-
Total Renewal of Existing Assets	2	(2 844)	-	-	76 152	102 355	102 355	39 474	51 399	60 700
Infrastructure - Road transport		-	-	-	7 142	10 943	10 943	1 600	-	-
Infrastructure - Electricity		-	-	-	6 931	25 640	25 640	235	250	250
Infrastructure - Water		(20)	-	-	2 400	2 932	2 932	5 510	21 750	10 750
Infrastructure - Sanitation		(2 569)	-	-	50 679	53 840	53 840	5 430	-	20 000
Infrastructure - Other		-	-	-	7 000	7 000	7 000	170	-	-
Infrastructure		(2 589)	-	-	74 152	100 355	100 355	12 945	22 000	31 000
Community		-	-	-	-	-	-	1 620	1 450	2 070
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		(255)	-	-	2 000	2 000	2 000	24 909	27 949	27 630
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4									
Infrastructure - Road transport		627 463	17 784	27 102	13 262	23 463	23 463	12 358	14 315	12 825
Infrastructure - Electricity		332 866	14 511	2 960	24 138	30 233	30 233	21 135	4 500	4 500
Infrastructure - Water		422 685	6 592	29 436	18 550	20 967	20 967	57 461	73 590	48 880
Infrastructure - Sanitation		98 713	12 814	8 148	51 757	55 418	55 418	10 210	7 100	55 165
Infrastructure - Other		22 504	8 038	17 512	34 195	26 995	26 995	4 010	57	-
Infrastructure		1 504 230	59 740	85 159	141 902	157 076	157 076	105 174	99 562	121 370
Community		(313 692)	74 515	11 057	39 551	35 295	35 295	15 075	55 295	52 205
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		570 278	16 733	15 875	16 713	16 833	16 833	65 244	65 786	68 962
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		2 247	-	1 126	900	900	900	250	2 500	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	1 763 063	150 988	113 218	199 066	210 104	210 104	185 744	223 143	242 537
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	67 334	660 867	662 847	643 651	653 852	653 852	634 300	616 972	599 528
Infrastructure - Electricity		135 728	456 013	441 987	448 699	454 794	454 794	458 918	447 086	435 289
Infrastructure - Water		10 408	376 858	376 863	380 611	383 028	383 028	425 734	484 836	519 253
Infrastructure - Sanitation		19 732	137 480	138 005	181 759	185 419	185 419	188 025	187 538	235 932
Infrastructure - Other		7 958	37 030	35 651	66 260	59 060	59 060	60 019	57 469	55 498
Infrastructure		241 159	1 668 248	1 655 353	1 720 980	1 736 153	1 736 153	1 766 996	1 793 900	1 845 500
Community		334 580	65 195	73 852	110 805	106 549	106 549	119 034	171 738	221 352
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		512 891	522 612	523 325	512 891	512 891	512 891	512 891	512 891	512 891
Other assets		450 530	861 773	920 503	904 409	904 529	904 529	932 772	957 595	980 369
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		18 346	13 529	15 788	13 529	13 529	13 529	13 529	13 529	13 529
Intangibles		1 276	199	192	900	900	900	1 150	3 650	3 650
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1 558 783	3 131 556	3 189 013	3 263 514	3 274 552	3 274 552	3 346 373	3 453 303	3 577 292
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	42 389	119 482	90 603	111 681	111 681	111 681	113 922	116 213	118 549
Repairs and Maintenance by Asset Class		46 513	48 093	48 101	61 177	57 622	57 622	62 405	68 401	72 138
Infrastructure - Road transport		4 057	4 889	4 809	5 146	5 276	5 276	5 787	6 291	6 707
Infrastructure - Electricity		4 146	5 087	6 697	8 946	8 946	8 946	10 175	10 577	11 232
Infrastructure - Water		9 051	9 106	9 275	12 601	11 101	11 101	10 467	11 172	11 853
Infrastructure - Sanitation		8 721	9 018	9 619	14 806	11 676	11 676	14 145	15 549	16 788
Infrastructure - Other		4 729	4 903	4 958	4 630	5 574	5 574	5 820	7 069	7 605
Infrastructure		30 704	33 002	35 357	46 129	42 573	42 573	46 394	50 659	54 184
Community		6 696	573	626	732	1 009	1 584	1 810	2 689	3 296
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	9 113	14 518	12 118	14 317	14 039	13 464	14 201	15 054	14 658
TOTAL EXPENDITURE OTHER ITEMS		88 902	167 575	138 704	172 858	169 303	169 303	176 327	184 614	190 687
Renewal of Existing Assets as % of total capex		0.2%	0.0%	0.0%	38.3%	48.7%	48.7%	21.3%	23.0%	25.0%
Renewal of Existing Assets as % of deprecn"		6.7%	0.0%	0.0%	68.2%	91.6%	91.6%	34.6%	44.2%	51.2%
R&M as a % of PPE		1.9%	1.8%	1.8%	2.2%	2.1%	2.1%	2.2%	2.3%	2.4%
Renewal and R&M as a % of PPE		3.0%	2.0%	2.0%	4.0%	5.0%	5.0%	3.0%	3.0%	4.0%

References

- Detail of new assets provided in Table SA34a
- Detail of renewal of existing assets provided in Table SA34b
- Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
- Must reconcile to total capital expenditure on Budgeted Capital Expenditure
- Must reconcile to 'Budgeted Financial Position' (written down value)
- Donated/contributed and assets funded by finance leases to be allocated to the respective category

WC024 Stellenbosch - Table A10 Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets (000)	1									
Water:										
Piped water inside dwelling								23237		
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2							10125		
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		-	-	-	-	-	-	33	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply								326		
Below Minimum Service Level sub-total		-	-	-	-	-	-	0	-	-
Total number of households	5	-	-	-	-	-	-	34	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)								31808		
Flush toilet (with septic tank)										
Chemical toilet								54		
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		-	-	-	-	-	-	32	-	-
Bucket toilet								75		
Other toilet provisions (< min.service level)										
No toilet provisions								260		
Below Minimum Service Level sub-total		-	-	-	-	-	-	0	-	-
Total number of households	5	-	-	-	-	-	-	32	-	-
Energy:										
Electricity (at least min.service level)								25	25	25
Electricity - prepaid (min.service level)										
Minimum Service Level and Above sub-total		-	-	-	-	-	-	25	25	25
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	25	25	25
Refuse:										
Removed at least once a week								29	29	29
Minimum Service Level and Above sub-total		-	-	-	-	-	-	29	29	29
Removed less frequently than once a week										
Using communal refuse dump								10	10	10
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
Below Minimum Service Level sub-total		-	-	-	-	-	-	10	10	10
Total number of households	5	-	-	-	-	-	-	39	39	39
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		20	17	15	15	15	15	14	14	14
Sanitation (free minimum level service)		20	17	15	15	15	15	14	14	14
Electricity/other energy (50kwh per household per month)		18	17	15	15	15	15	14	14	14
Refuse (removed at least once a week)		20	17	15	15	15	15	14	14	14
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		3 340	4 175	5 684	6 250	6 250	6 250	6 840	7 344	7 917
Sanitation (free sanitation service)		8 798	10 562	14 378	14 245	14 245	14 245	17 302	18 579	20 027
Electricity/other energy (50kwh per household per month)		4 428	2 548	3 469	6 835	6 835	6 835	4 175	4 483	4 832
Refuse (removed once a week)		9 450	7 890	10 740	9 648	9 648	9 648	12 924	13 878	14 960
Total cost of FBS provided (minimum social package)		26 016	25 176	34 272	36 977	36 977	36 977	41 241	44 284	47 736
Highest level of free service provided										
Property rates (R value threshold)		60 000	85 000	85 000	85 000	85 000	85 000	85 000	85 000	85 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		44	52	56	61	61	61	67	73	80
Electricity (kwh per household per month)		50	60	60	60	60	60	60	60	60
Refuse (average litres per week)		250	250	250	250	250	250	250	250	250
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)		2 893	20 753	21 777	22 518	22 518	22 518	23 846	25 253	26 743
Water		3 340	4 175	3 326	6 250	6 250	6 250	6 822	6 974	7 393
Sanitation		8 798	10 562	10 107	14 245	14 245	14 245	15 615	16 100	17 630
Electricity/other energy		4 428	2 548	1 666	6 835	6 835	6 835	8 227	9 904	10 997
Refuse		9 450	7 890	10 448	9 648	9 648	9 648	10 588	11 013	11 949
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other	6		13 044	19 999	14 420	3 419	3 419	13 763		
Total revenue cost of free services provided (total social package)		28 909	58 972	67 325	73 915	62 914	62 914	78 861	69 245	74 712

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc
5. Must agree to total number of households in municipal area
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free
8. Must reflect the cost to the municipality of providing the Free Basic Service

PART 2

A: OVERVIEW OF STELLENBOSCH MUNICIPALITY

Background

Stellenbosch Municipality is located in the heart of the Cape Winelands. It is situated about 50 km from Cape Town and is flanked by the N1 and N2 main routes. The municipal area covers approximately 900 km² and has a population of approximately 270 000 people.



The municipality's area of jurisdiction includes the town of Stellenbosch and stretches past Jamestown to as far as Raithby in the south, to Bottelary, Koelenhof, and Klapmuts to the north, and over the Helshoogte Pass to Pniel, Kylemore, Groendal and Franschhoek in the east. Apart from formal settlement areas, the municipal area also includes a number of informal settlements.

Economic Profile

2.3.1. Economic growth

Stellenbosch Municipality accounted for 24.4% of the District's economy in 2009 making it the second largest economy in the Cape Winelands District. Stellenbosch's regional gross value added figure (GVA-R) increased from R3.834 billion in 2001 to R5.234 billion in 2009 at an average annual rate of 4% compared to 3.2% for the Cape Winelands District over the same period (2001 - 2009).

Stellenbosch Municipality's economic growth has exceeded that of the District's from 2001 to 2009. The effect of the global financial crisis has caused the Stellenbosch economic growth to lower to 0.6% and Cape Winelands economy to contract by 0.4% in 2009.

2.3.2. Sector growth and contributions

The construction sector recorded the highest average annual growth over the 2001 to 2009 period at 11.2%, followed by finance (7.4%), and electricity (5.3%). The mining and quarrying sector contracted over the period 2001 and 2009 and quarrying plays a relatively small role (in terms of Rand value) in the economy of Stellenbosch.

The three largest sectors in 2009 were: community services (27.1%), finance and business services (25.1%) and manufacturing (23.5%). Of the three largest economic sectors, the manufacturing sector's contribution to local economy marginally decreased whilst the finance and community services contribution increased in the period from 2001 to 2009.

While agriculture only directly contributes 10.1% of the municipality's GDP, it contributes 18% towards employment and is, therefore a critical player and an important economic sector, contributing to employment on a rand per job basis.

There are strong linkages from Stellenbosch municipality's agricultural sector to its manufacturing, wholesale, trade and accommodation, and financial services sectors, particularly with agri-tourism. The wine industry, followed by vegetable products, both strongly vertically linked to the agricultural sector, are the district municipality's largest export product.

Political Structure

Stellenbosch Municipality is represented by 43 councillors, of whom 22 were elected directly as Ward councillors, with the rest being elected on the basis of the proportion of votes cast for the different political parties. The principal decision-making body of Council is the Mayoral Committee, which consists of the Executive Mayor, the Deputy Executive Mayor and seven councillors. The members of the Mayoral Committee and the Speaker are deemed to be full-time councillors.

The situation is as follows:

Political party	DA	SCA	ACDP	ANC	COPE	NPP	SPA
No. of councillors	25	3	1	11	1	1	1

The table below presents the Mayco and Speaker portfolios:

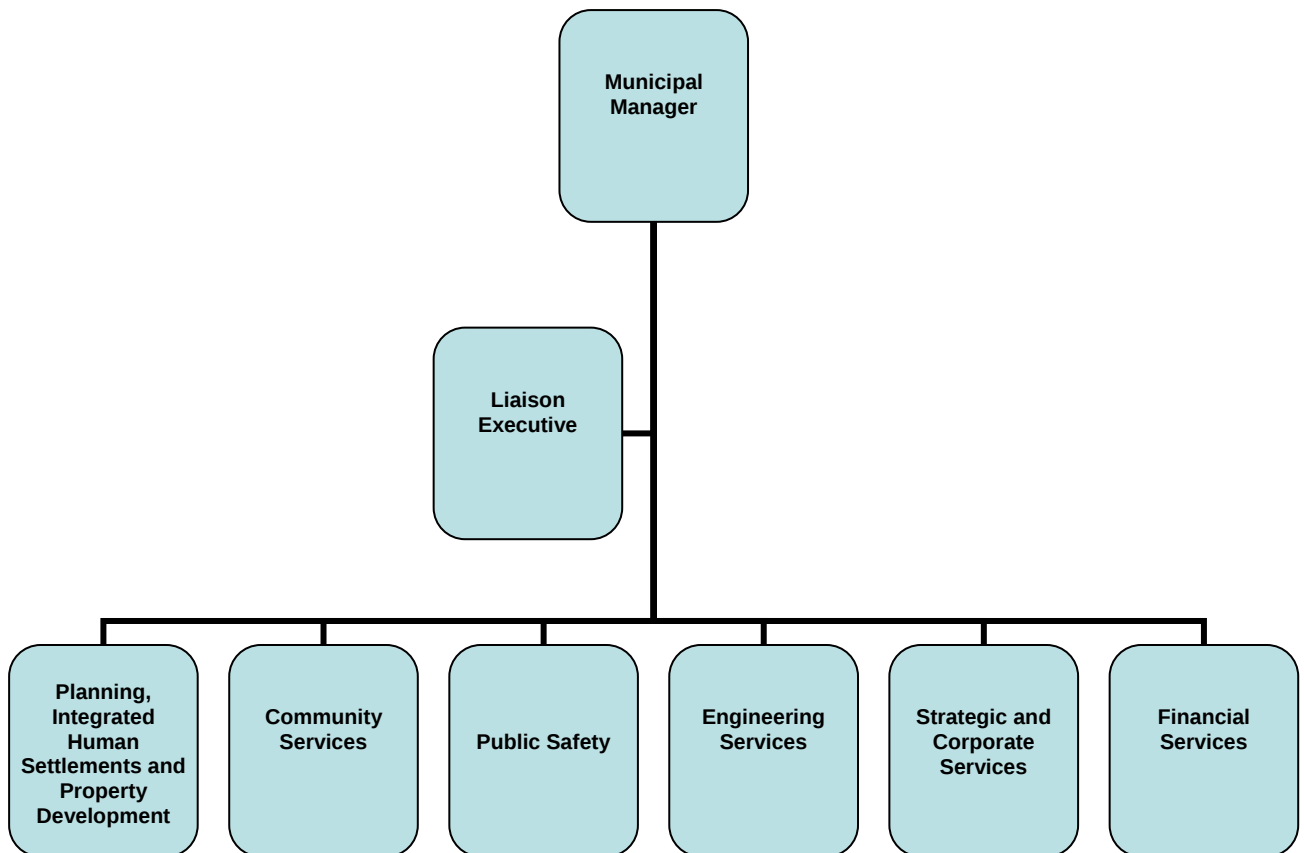
PORTFOLIO	NAME	POLITICAL PARTY
Executive Mayor	CJ Sidego	DA
Deputy Mayor	MG Smuts	DA
Speaker	CP Jooste	DA
Strategic and Corporate Services	SJ Louw (Ms)	DA
Public Safety	N Jindela	DA
Community Services	Q Smit	DA
	JP Serdyn (Ms)	DA
Planning, Integrated Human Settlement and Property Development	V Fernandez (Ms)	DA
Agriculture, Local Economic Development and Tourism	PJ Retief	DA
Engineering Services	PW Biscombe	DA
Financial Services	PJ Venter	DA

Administration

The macro-organisational structure of Stellenbosch Municipality has the effect of a “flat” organisational structure that can

- link easily to the portfolios of the Mayoral Committee members;
- be more responsive to customer needs; and
- be more economical and focussed on the developmental goals of Council.

The macro-organisational structure and management are shown in the diagram below:



B: LEGISLATIVE ENVIRONMENT

Legal Requirements

The medium term revenue and expenditure framework for 2012/2013, 2013/2014 and 2014/2015 was compiled in accordance with the requirements the relevant legislation, of which the following are the most important:

- i) the Constitution, Act 108 of 1996
- ii) the Local Government Transition Act, Act 209 of 1993
- iii) the Municipal Structures Act, Act 117 of 1998
- iv) the Municipal Systems Act, Act 32 of 2000
- iv) the Municipal Finance Management Act, Act 56 of 2003

In addition to the above, the Municipal Budget and Reporting Framework as approved on 17 April 2009 gave a clear directive on the prescribed reporting framework and structure to be used.

Guidelines issued by National Treasury

National Treasury issued the following circulars regarding the budget for 2012/2013:

- MFMA Circular No. 58 Municipal Budget Circular for the 2012/13 MTREF – 14 December 2011
- MFMA Circular No. 59 Municipal Budget Circular for the 2012/13 MTREF – 16 March 2012

Other circulars used during the compilation of the budget:

- MFMA Circular No. 48 Municipal Budget Circular for the 2009/10 MTREF – 2 March 2009
 - MFMA Circular No. 51 Municipal Budget Circular for the 2010/11 MTREF – 19 February 2010
 - MFMA Circular No. 54 Municipal Budget Circular for the 2011/12 MTREF – 10 December 2010
 - MFMA Circular No. 55 Municipal Budget Circular for the 2011/12 MTREF – 8 March 2011
- National outcomes/priorities
 - Headline inflation forecasts
 - Revising rates, tariffs and other charges
 - Funding choices and management issues
 - Conditional transfers to municipalities
 - Budget process and submissions for the 2012/13 MTREF

The guidelines provided in the above mentioned circulars, annexures and other economic factors were taken into consideration and informed budget preparation and compilation.

C: OVERVIEW OF ANNUAL BUDGET PROCESS

In terms of Section 24 of the MFMA, Council must, at least 30 days before the start of the financial year, consider the annual budget for approval. Section 53 requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that the Mayor of a municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging with the responsibilities set out in section 53 of the Act.

A time schedule outlining important dates and deadlines as prescribed for the IDP/Budget process was approved on 25 August 2011. The budget process for the 2012/2013 MTREF period proceeded/will proceed according to the following timeline

Activity	Time frame
Formulation of budget assumptions	October 2011
Detailed programmes and projects to further define budget	December 2011 – February 2012
Draft IDP and Budget considered by Council	March 2012
Draft IDP and Budget - public participation	April 2012
Final approval of budget and IDP	30 May 2012

D: OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN (IDP)

The strategic goals and resultant focus areas of the IDP are as follow:

Strategic goal 1: A leader in governance, partnership and citizen participation

Structures for decision-making

Strategic planning

Inter-governmental working

International relations

Partnership development

Communication and citizen engagement

Auditing

Strategic goal 2: A skilled and customer focused administration

Functional area capacity and readiness

Leadership development

Customer care

Performance management

Document management

Accessible service centres

Strategic goal 3: Sound municipal financials

Sustainable management of municipal revenue streams

Customer care in Finance

Prudent expenditure control

Supply chain management processes that are both legislatively compliant and developmental

Alignment between the municipal budget and strategy

Comprehensive, accurate and reliable municipal accounting

Efficient IT enablement of governance and service provision

Asset management

Strategic goal 4: A treasured, protected environment

Environmental planning and management

Conservation of nature areas

Management of alien vegetation

River management

Urban greening and beautification

Strategic goal 5: Responsible spatial and development management

Town-wide and area specific spatial direction

Managing heritage assets

Development facilitation

Land use management

Building development management and green building

Strategic goal 6: Fostering opportunity for enterprise, creativity and business development

LED planning and management

LED information and communication

Sector support

Municipal services in support of LED

Strategic goal 7: Dignified living

Integrated planning for housing and settlement upgrade

New housing and shelter opportunity

In-situ upgrade of informal settlements

Housing administration and management

Integrated community development

Public facilities and services

Area cleaning

Vulnerable groups

Strategic goal 8: Efficient infrastructure and services

Integrated, sustainable long term infrastructure planning, resourcing and project management

Water

Electricity

Solid waste

Transport and Traffic Engineering

LED through infrastructure projects

Strategic goal 9: A safe town

Traffic

Municipal law enforcement

Fire and Disaster Management

Fleet and event management

E: OVERVIEW OF BUDGET RELATED POLICIES

*The following policies are **new**:*

Funding and Reserves Policy

The policy provides a framework to ensure that the annual budget of Stellenbosch Municipality is fully funded and that all funds and reserves are maintained at the required level to avoid future year non cash backed liabilities. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework. Refer to Appendix 4.

Borrowing Policy

This policy strives to establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds. Refer to Appendix 5.

Special Ratings Area Policy

The aim of the policy is to provide the framework to strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighbourhoods. Refer to Appendix 6.

The following existing policies were reviewed and amended as highlighted in the detail by means of “track changes” to either give effect to the changing legislative landscape, or to achieve Council’s strategic goals:

Property Rates Policy

The revised Rates Policy as required by the Municipal Property Rates Act (Act no 6 of 2004) is attached as Appendix 7.

Supply Chain Management Policy

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The Preferential Procurement Policy Framework Act, no 5 of 2000 and its accompanying regulations influences and dictates process around the evaluation and awarding of points. In this regard, the Minister of Finance acting in terms of section 1(iii)(f) of the Procurement Policy Framework Act, revised the Regulations accompanying this Act on the 8th of June 2011 for implementation by all affected public entities by the 7th of December 2011. The Supply Chain Management Policy was therefore amended and adopted at Council during December 2011. Refer to Appendix 8.

Budget Implementation and Monitoring Policy

The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets. The framework for virementations is also explained and regulated in this policy as well as monitoring roles and responsibilities. Refer to Appendix 9.

Travel and Subsistence Policy

This policy sets out the basis for the payment of subsistence, travel allowance, hourly rate when applicable for the purpose of official travelling. Refer to Appendix 10.

Indigent Policy

Due to the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for basic municipal services. The provision of free basic services ensures that registered indigent consumers have access to basic services. This policy provides the framework for the administration of free basic services to indigent consumers. Refer to Appendix 11.

Credit Control and Debt Collection Policy

This policy provides a framework to enable Council to proactively manage and collect all money due for services rendered and outstanding property taxes, subject to the provisions of the Municipal Systems Act of 2000 and any other applicable legislation and internal policies of Council. Refer to Appendix 12.

Petty Cash Policy

All purchases below R 2 000 are regulated by this policy. Clear processes and procedures are stipulated to ensure that all transactions are processed effective and efficiently in a bid to ensure prudent financial control. Refer to Appendix 13.

Cash Management and Investment Policy

To regulate and provide directives in respect of the investment of funds and to maximize returns from authorized investments, consistent with the primary objective of minimizing risk. Refer to Appendix 14.

Accounting Policy

This policy provides the accounting framework applicable to the finances of the municipality and is informed by the Municipal Finance Management Act (Act no 56 of 2003). Refer Appendix 15.

Non-Financial Asset Management Policy

The Municipal Finance Management Act Number 56 of 2003 is the legislative framework for the Asset Management Policy whilst Generally Recognised Accounting Practice (GRAP) is the accounting framework. The Municipal Manager as Accounting Officer of municipal funds, assets and liabilities is responsible for the effective implementation of the asset management policy which regulates the acquisition, safeguarding, maintenance of all assets and disposal of assets where the assets are no longer used to provide a minimum level of basic service as regulated in terms of section 14 of the MFMA. Refer Appendix 16.

Grant-in-aid Policy

This policy provide the framework for grants-in-aid to non-governmental organisations (NGO's), community-based organisations (CBO's) or non-profit organisations (NPO's) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003). Refer Appendix 17.

The following existing budget related polices were reviewed but no amendments were necessary:

Irrecoverable Debt Policy

This policy enables Council and the CFO to write off irrecoverable debt of indigent consumers, debt which cannot be recovered due to consumers not being registered as indigent or not traceable or due to prescription of debt. Refer to Appendix 18.

Tariff Policy

This policy serves as the implementing tool which guides the levying of tariffs for municipal services in accordance with the provisions of the Municipal Systems Act and any other applicable legislation. Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. Tariffs will be calculated in various ways, dependent upon the nature of the service being provided. Refer to Appendix 19.

Development Contributions for Bulk Engineering Services

Local government has the discretionary power when granting development approvals to impose conditions in relation to the provision of engineering services and the payment of money which is directly related to requirements resulting from those approvals in respect of the provision of the necessary services to the land to be developed. This policy provides the framework for the calculation of these contributions. Refer Appendix 20.

F: OVERVIEW OF KEY BUDGET ASSUMPTIONS

Municipalities' long-term financial viability depends largely on the extent to which improved and sustainable revenue capacity on the one hand and sound financial management of its resources on the other hand can be achieved. These imperatives necessitate proper multi-year financial planning. Future impacts of revenue streams, expenditure requirements and the financial implications for the community at large (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programs, projects and sundry service delivery actions.

Taking these principals into consideration, the following assumptions (**ceteris paribus**) were made and relates to the parameters within which the budget was compiled for the next three years

	2012/2013	2013/2014	2014/2015
Percentage Increase:			
Water	6.00%	6.00%	6.00%
Electricity	11.03%	11.03%	11.03%
Sanitation	9.50%	9.50%	9.50%
Refuse	8.50%	8.50%	8.50%
Property Rates	5.90%	5.90%	5.90%
Estimated growth – Property Rates	1.5%	1.25%	1.00%
Collection Rates			
Water	97%	97%	97%
Electricity	97%	97%	97%
Sanitation	97%	97%	97%
Refuse	97%	97%	97%
Rates	100%	100%	100%
Employee Related Costs			
Salaries and Wages and related costs	5.00%	5.00%	5.00%
Notch Increment	1.42%	1.42%	1.42%
Other Assumptions			
Bulk Purchases - Electricity	13.50%	13.50%	13.50%
Bulk Purchases - Water	6.00%	6.00%	6.00%

Budgetary constraints and economic challenges meant that the municipality had to apply a combination of cost-saving interventions and higher than headline CPI revenue increases to ensure a sustainable budget over the medium term.

The budget theme of “*Driving Efficiencies; i.e. reprioritization of existing resources / current allocations*”, resulted from the realization that no, or limited, scope for additional externally- or internally-funded revenue growth existed and the challenge that more needed to be done with the existing resource envelope. This was reiterated in National Treasury Budget Circular 58 where it states that “...municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts. **Municipalities should also pay particular attention to managing all revenue and cash streams effectively and carefully evaluate all spending decisions.**”

G: HIGH LEVEL BUDGET OVERVIEW

Capital Budget for 2012/2013, 2013/2014 and 2014/2015

Although the capital budget is infrastructure orientated and addresses the very urgent need for the upgrading of infrastructure as addressed by the different infrastructure master plans, it does however speak to the IDP (Integrated Development Plan) and the needs of the community. The responsiveness of the budget can be measured against what was identified as priorities by the community and the actual amount allocated, bearing in mind that resources are limited, to address or at least alleviate the most critical needs identified.

In this regard it is important to note that the need for infrastructure upgrades, inclusive of electricity infrastructure were key to ensure the delivery of sustainable services.

The capital budgets as proposed, amounts to:

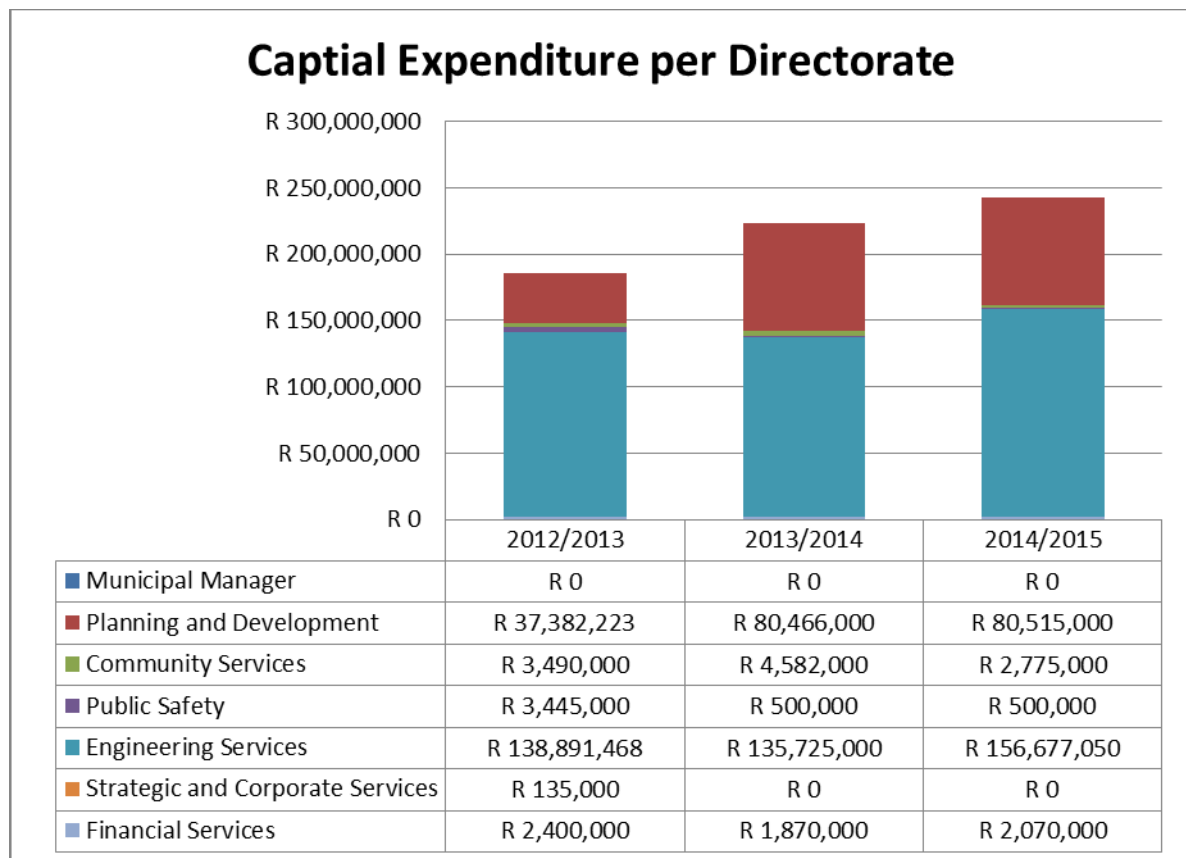
	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
	R	R	R
Total	185 743 691	223 143 000	242 537 050

Compilation of the Capital Budget

The capital budgets depicted per Directorate are as follows:

	<u>2012/2013</u>		<u>2013/2014</u>		<u>2014/2015</u>	
	R	%	R	%	R	%
Municipal Manager	0	0.0	0	0.0	0	0.0
Planning and Development	37 382 223	20.0	80 466 000	36.1	80 515 000	33.2
Community Services	3 490 000	1.9	4 582 000	2.1	2 775 000	1.1
Public Safety	3 445 000	1.9	500 000	0.2	500 000	0.2
Engineering Services	138 891 468	74.8	135 725 000	60.8	156 677 050	64.6
Strategic and Corporate Services	135 000	0.1	0	0.0	0	0.0
Financial Services	2 400 000	1.3	1 870 000	0.8	2 070 000	0.9
	185 743 691	100.0	223 143 000	100.0	242 537 050	100.0

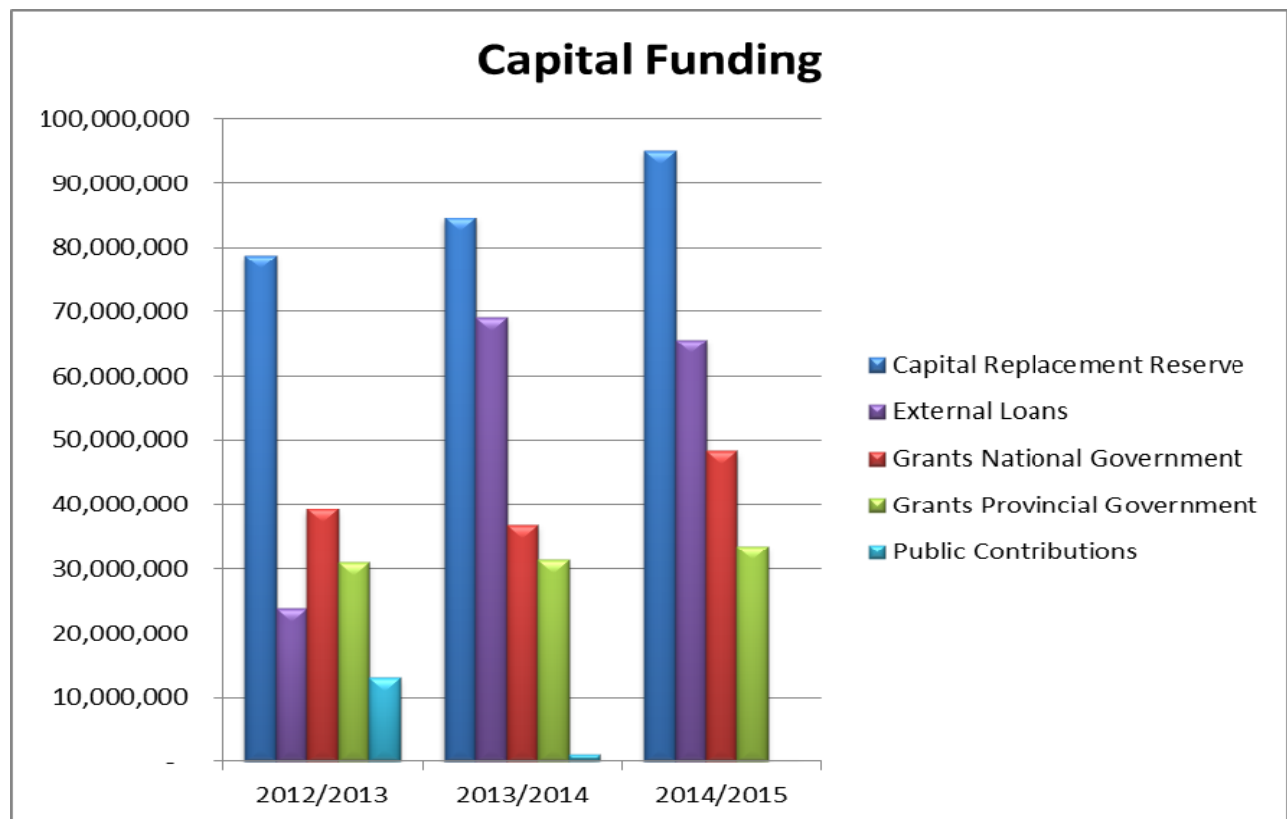
Investment in infrastructure for the next three years equals:



Financing of the Capital Budget

The proposed financing sources of the capital budget for the next three years are as follows:

	<u>2012/2013</u>		<u>2013/2014</u>		<u>2014/2015</u>	
	R	%	R	%	R	%
<u>Own Funding</u>						
Capital Replacement Reserve	78 774 000	42.4	84 602 000	37.9	95 057 050	39.2
<u>External Funding</u>						
Grants National Government	39 220 000	21.1	36 815 000	16.5	48 365 000	19.9
Grants Provincial Government	31 014 223	16.7	31 362 000	14.0	33 415 000	13.8
External Loans	23 777 248	12.8	69 142 000	31.0	65 700 000	27.1
Public Contributions	12 958 220	7.0	1 222 000	0.6	0	0.0
	185 743 691	100.0	223 143 000	100.0	242 537 050	100.0



As alluded to in the before-mentioned text and in the Council item; substantial investment in infrastructure is crucial in order to maintain sustainable levels of service delivery. For the detailed capital projects please refer to **Appendix 1 – Part 2 – Section N**.

The capital projects linked to the loan for the current 2011/2012 financial year are multi-year and therefore flows over to the new financial year 2012/2013. Thus, the external borrowings referred to in the financial year 2012/2013, are not new borrowings.

Operating Budget for 2012/2013, 2013/2014 and 2014/2015

Expenditure

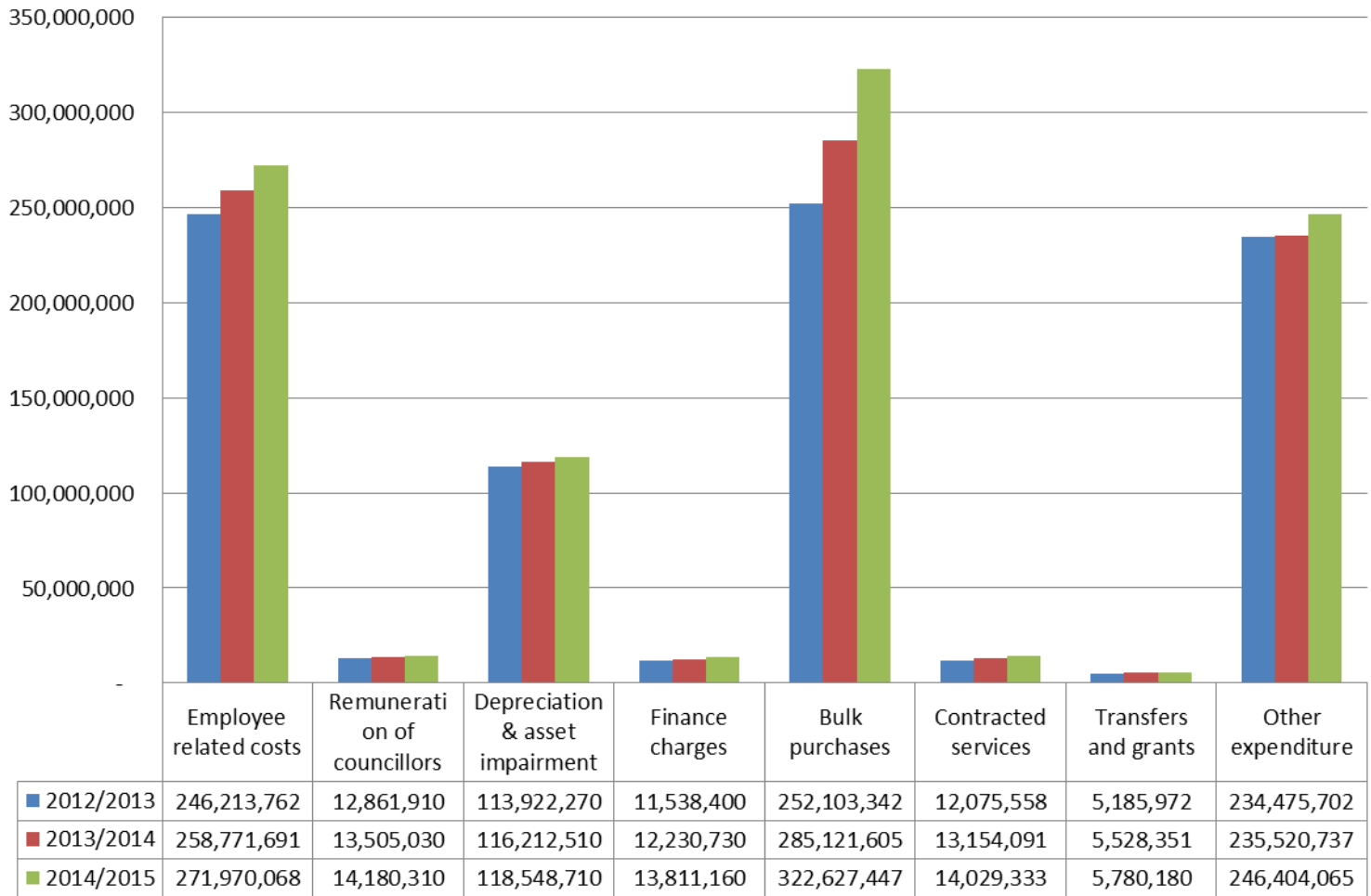
The operating expenditure budget per Vote (Directorate) is as follows:

	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
	R	R	R
Municipal Manager	16,821,138	17,423,595	18,144,241
Planning & Development Services	81,146,187	70,949,110	74,579,790
Community Services	54,218,434	56,063,861	57,945,272
Public Safety	64,744,078	68,127,802	71,686,335
Engineering Services	571,488,905	621,197,593	676,374,760
Strategic & Corporate Services	42,328,308	44,832,717	46,158,688
Financial Services	57,629,866	61,450,067	62,462,187
Total Expenditure	888,376,916	940,044,745	1,007,351,273

The operating expenditure budget per category is as follows:

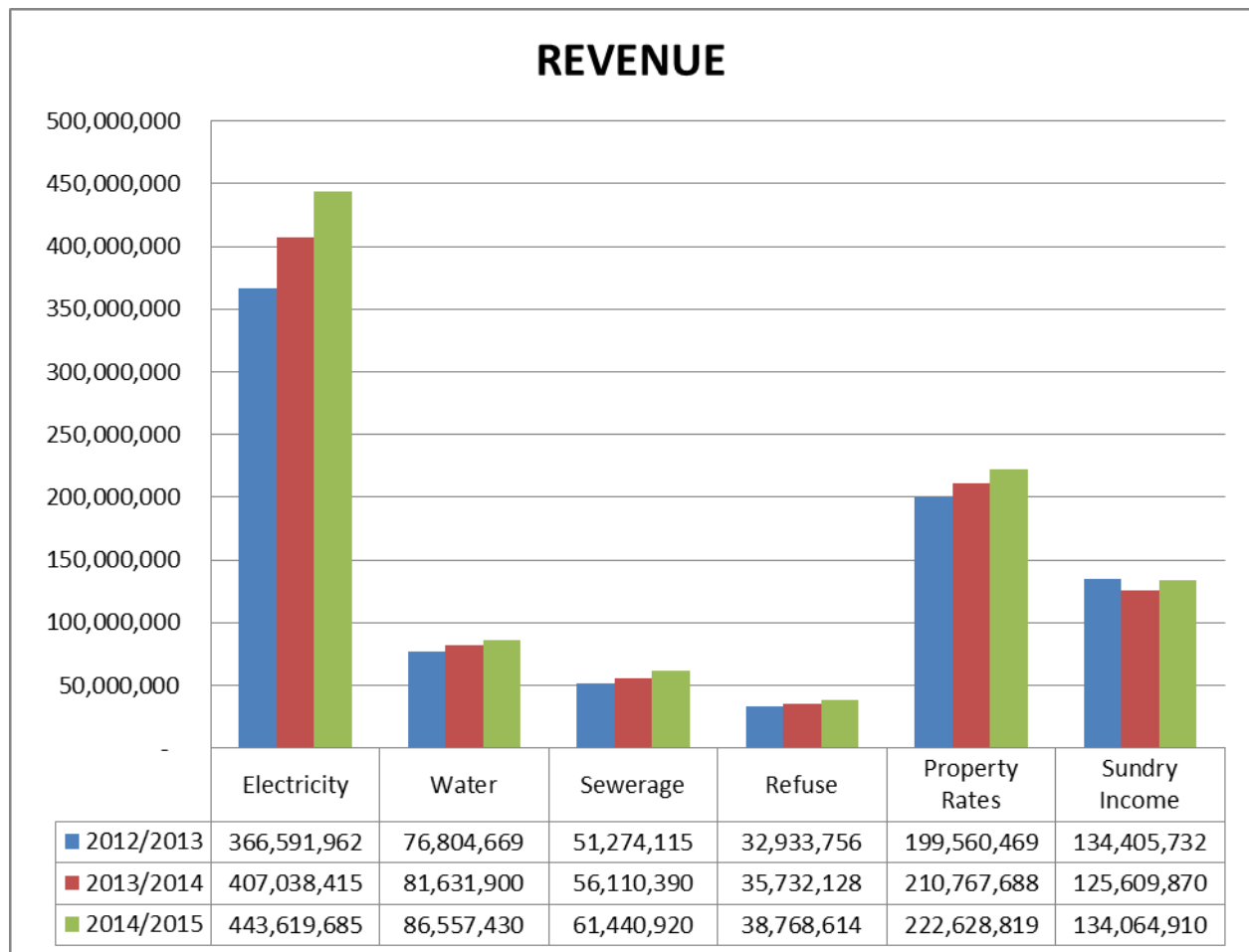
	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
	R	R	R
Employee Related Costs	246,213,762	258,771,691	271,970,068
Remuneration of Councillors	12,861,910	13,505,030	14,180,310
Depreciation	113,922,270	116,212,510	118,548,710
Finance Charges	11,538,400	12,230,730	13,811,160
Bulk Purchases	252,103,342	285,121,605	322,627,447
Contracted Services	12,075,558	13,154,091	14,029,333
Transfers and grants	5,185,972	5,528,351	5,780,180
Other Expenditure	234,475,702	235,520,737	246,404,065
Total Expenditure	888,376,916	940,044,745	1,007,351,273

OPERATIONAL EXPENDITURE PER TYPE



The operational budget will be funded as follows:

	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
	R	R	R
Electricity Sales	366,591,962	407,038,415	443,619,685
Water Sales	76,804,669	81,631,900	86,557,430
Sewerage Charges	51,274,115	56,110,390	61,440,920
Refuse Charges	32,933,756	35,732,128	38,768,614
Property Rates	199,560,469	210,767,688	222,628,819
Sundry Income	134,405,732	125,609,870	134,064,910
Total Income	861,570,703	916,890,391	987,080,378



H: OVERVIEW OF THE BUDGET FUNDING

Financing of the Capital Budget

The proposed financing sources of the capital budget for the next three years are as follows:

	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
	R	R	R
Capital Replacement Reserve	78 774 000	84 602 000	95 057 050
Grants National Government	39 220 000	36 815 000	48 365 000
Grants Provincial Government	31 014 223	31 362 000	33 415 000
External Loans	23 777 248	69 142 000	65 700 000
Public Contributions	12 958 220	1 222 000	0
	185 743 691	223 143 000	242 537 050

Grant funding from National Government includes the following:

- Municipal Infrastructure Grant
- Electricity Demand Side Management
- Integrated National Electrification Program
- Regional Bulk Infrastructure Grant

Grant funding from Provincial Government includes the following:

- Integrated Human Settlement Grant
- Integrated Transport Planning Allocation
- Acceleration of Housing Delivery

Public Contributions includes the following:

- Development Contributions: Water
- Development Contributions: Sewerage
- Development Contributions: Refuse
- Development Contributions: Roads
- Development Contributions: Electricity
- Development Contributions: Storm water
- Contributions: Le Clemence

Financing of the Operational Budget

The operational budget is financed from the tariff increases as displayed above. In addition to these, the following grant allocations are expected and expenditure was adjusted accordingly:

- Equitable Share Allocation
- Community Development Worker Assistance Grant
- Library Assistance Grant
- Financial Management Grant
- Municipal Systems Improvement Grant
- Expanded Public Works Program Incentive Grant

I: EXPENDITURE ON ALLOCATION AND GRANT PROGRAMMES

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		22 774	24 269	35 958	39 017	39 017	39 017	44 332	46 434	50 136
Local Government Equitable Share		22 124	22 964	34 272	36 977	36 977	36 977	41 241	44 284	47 736
Finance Management		250	919	963	1 250	1 250	1 250	1 250	1 250	1 450
Municipal Systems Improvement		400	386	724	790	790	790	800	900	950
EPWP Incentive								1 041		
Other transfers/grants [insert description]										
Provincial Government:		2 851	15 925	21 201	15 699	4 673	4 673	15 090	84	84
Sports and Recreation		574	593	1 077	1 015	1 015	1 015	1 246		
Housing			13 300	19 999	14 420	3 419	3 419	13 763		
Other Grants		2 277	2 032	125	264	238	238	81	84	84
District Municipality:										
[insert description]										
Other grant providers:										
[insert description]										
Total operating expenditure of Transfers and Grants:		25 625	40 194	57 159	54 716	43 690	43 690	59 422	46 518	50 220
Capital expenditure of Transfers and Grants										
National Government:		30 520	16 731	11 523	20 955	25 955	25 955	25 420	26 815	28 365
Municipal Infrastructure (MIG)		11 770	14 753	11 523	20 955	20 955	20 955	25 420	26 815	28 365
Water Affairs		450	183			5 000	5 000			
Public Transport		18 300								
Other capital transfers [insert description]			1 796							
Provincial Government:		26 793		2 809	29 000	24 680	24 680	31 014	31 362	32 911
Housing & Integrated Transport Planning & NMT & Sport Grounds		26 793		2 809	29 000	24 680	24 680	31 014	31 362	32 911
District Municipality:				900						
Reconstruction of Roads - CWDM				900						
Other grant providers:								13 800	10 000	20 000
Integrated National Electrification Programme								800		
Electricity Demand Side Management								8 000		
Regional Bulk Infrastructure Grant								5 000	10 000	20 000
Total capital expenditure of Transfers and Grants		57 313	16 731	15 232	49 955	50 635	50 635	70 234	68 177	81 276
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		82 938	56 926	72 391	104 671	94 325	94 325	129 656	114 695	131 496

J: ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
<u>Cash Transfers to other municipalities</u>											
<i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Entities/Other External Mechanisms</u>											
<i>Insert description</i>	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to other Organs of State</u>											
<i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Organisations</u>											
FESTIVALS	4	256	14	379	424	424	424	424	300	320	340
GRANT-IN-AID: SUNDRY		538	495	640	679	679	679	679	720	763	808
GRANT-IN-AID: TOURISM		2 050	2 050	2 173	2 303	3 203	3 203	3 203	3 442	3 688	3 841
GRANT-IN-AID: ANIMAL WELFARE		425	425	451	478	878	878	878	506	537	569
GRANT-IN-AID: RENTAL		209	264	265	129	129	129	129	17	18	19
FREE BASIC SERVICES		11 400	10 908	9 072	18 448	18 448	18 448	18 448	21 031	22 127	23 455
Total Cash Transfers To Organisations		14 879	14 157	12 980	22 462	23 762	23 762	23 762	26 016	27 453	29 031
<u>Cash Transfers to Groups of Individuals</u>											
<i>Insert description</i>	5										
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	14 879	14 157	12 980	22 462	23 762	23 762	23 762	26 016	27 453	29 031
<u>Non-Cash Transfers to other municipalities</u>											
<i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to Entities/Other External Mechanisms</u>											
<i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other Organs of State</u>											
<i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Grants to Organisations</u>											
<i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
<u>Groups of Individuals</u>											
<i>Insert description</i>	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	14 879	14 157	12 980	22 462	23 762	23 762	23 762	26 016	27 453	29 031

K: COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS**WC024 Stellenbosch - Supporting Table SA22 Summary councillor and staff benefits**

Summary of Employee and Councillor remuneration R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		5 099	7 419	7 646	7 836	7 836	7 836	8 267	8 680	9 114
Pension and UIF Contributions		779	408	372	758	758	758	800	840	882
Medical Aid Contributions		107	67	91	96	96	96	101	106	111
Motor Vehicle Allowance		2 047	1 152	1 259	2 897	2 897	2 897	3 056	3 209	3 369
Cellphone Allowance		413	292	313	605	605	605	639	671	704
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		8 445	9 338	9 681	12 192	12 192	12 192	12 862	13 505	14 180
% increase	4		10.6%	3.7%	25.9%	-	-	5.5%	5.0%	5.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		5 523	5 305	5 327	7 177	7 177	7 177	8 308	8 723	9 159
Pension and UIF Contributions		686	649	893	1 220	1 220	1 220	1 280	1 344	1 412
Medical Aid Contributions		212	20	87	136	136	136	175	184	193
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 035	449	345	581	581	581	745	782	822
Cellphone Allowance			-	57	71	71	71	66	69	72
Housing Allowances		426	276	18	19	19	19	6	7	7
Other benefits and allowances		117	18		105	105	105	127	133	140
Payments in lieu of leave								-	-	-
Long service awards								-	-	-
Post-retirement benefit obligations								-	-	-
Sub Total - Senior Managers of Municipality		7 999	6 717	6 728	9 310	9 310	9 310	10 708	11 243	11 805
% increase	4		(16.0%)	0.2%	38.4%	-	-	15.0%	5.0%	5.0%
Other Municipal Staff										
Basic Salaries and Wages		109 817	137 645	145 472	160 375	160 375	160 375	168 166	176 748	185 768
Pension and UIF Contributions		19 187	20 473	25 892	24 385	24 385	24 385	27 971	29 400	30 902
Medical Aid Contributions		8 178	9 169	10 175	12 302	12 302	12 302	12 311	12 940	13 600
Overtime		4 113	6 724	8 367	6 529	6 529	6 529	7 411	7 790	8 187
Performance Bonus		8 891	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		5 250	6 201	9 112	8 207	8 207	8 207	8 083	8 496	8 931
Cellphone Allowance		404	479	463	470	470	470	540	568	598
Housing Allowances		2 332	1 692	1 338	1 654	1 654	1 654	1 497	1 574	1 655
Other benefits and allowances		16 781	8 246	12 820	8 014	8 014	8 014	9 525	10 013	10 525
Payments in lieu of leave								-	-	-
Long service awards								-	-	-
Post-retirement benefit obligations								-	-	-
Sub Total - Other Municipal Staff		174 952	190 629	213 638	221 937	221 937	221 937	235 506	247 529	260 165
% increase	4		9.0%	12.1%	3.9%	-	-	6.1%	5.1%	5.1%
Total Parent Municipality		191 397	206 684	230 047	243 439	243 439	243 439	259 076	272 277	286 150
			8.0%	11.3%	5.8%	-	-	6.4%	5.1%	5.1%

[illegible]

L: MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
Revenue By Source																
Property rates		196 040	(361)	(631)	(1)	(353)	1 219	20	(27)	(147)	(753)	2 351	(266)	197 092	208 176	219 881
Property rates - penalties & collection charges		198	202	219	229	161	215	211	214	215	217	217	170	2 469	2 592	2 748
Service charges - electricity revenue		18 318	33 640	34 257	33 109	31 727	25 071	30 277	29 820	30 618	24 319	34 019	41 418	366 592	407 038	443 620
Service charges - water revenue		2 919	4 358	5 585	5 262	5 947	6 189	6 967	7 611	7 702	9 250	6 315	8 700	76 805	81 632	86 557
Service charges - sanitation revenue		39 725	1 434	1 037	862	1 215	1 497	423	1 043	889	1 004	927	1 218	51 274	56 110	61 441
Service charges - refuse revenue		32 917	(11)	2	(1)	(36)	82	12	2	-	(18)	(16)	1	32 934	35 732	38 769
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 195	1 243	1 229	1 198	1 198	1 176	1 105	1 144	1 134	1 144	1 126	1 191	14 082	14 868	15 761
Interest earned - external investments		-	1 565	1 206	1 136	1 236	1 971	1 434	1 192	2 216	339	268	7 144	19 707	20 890	22 143
Interest earned - outstanding debtors		326	333	325	673	504	475	523	507	315	382	280	323	4 965	5 250	5 565
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		1 203	1 221	1 269	1 554	1 545	1 696	1 220	1 877	1 676	1 625	1 739	674	17 299	18 165	19 255
Licences and permits		387	384	368	399	386	353	365	307	610	364	364	421	4 709	4 947	5 244
Agency services		49	116	76	112	81	64	-	129	240	21	104	181	1 172	1 231	1 305
Transfers recognised - operational		13 291	1 280	4 759	2 567	87	11 635	11 174	87	11 761	87	87	3 683	60 499	47 651	51 421
Other revenue		648	934	684	1 030	940	649	584	834	1 232	1 222	914	2 300	11 971	12 608	13 372
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)		307 215	46 338	50 385	48 130	44 638	52 291	54 314	44 740	58 461	39 202	48 695	67 159	861 571	916 890	987 080
Expenditure By Type																
Employee related costs		17 802	17 215	22 367	19 426	28 711	19 601	20 029	19 561	17 711	17 833	18 078	27 879	246 214	258 772	271 970
Remuneration of councillors		798	1 233	1 263	1 247	1 245	1 249	1 703	1 561	600	577	373	1 013	12 862	13 505	14 180
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		0	0	0	0	0	56 961	9 494	9 494	9 494	9 494	9 494	9 493	113 922	116 213	118 549
Finance charges		-	-	-	-	-	2 991	-	-	-	-	-	8 547	11 538	12 231	13 811
Bulk purchases		-	33 103	35 667	20 153	18 733	19 962	15 373	19 001	13 528	16 705	15 084	44 794	252 103	285 122	322 627
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		753	892	1 222	856	848	1 179	1 092	1 010	971	1 198	955	1 100	12 076	13 154	14 029
Transfers and grants		8 755	2 021	555	1 177	1 127	968	2 223	689	4 029	407	459	3 806	26 217	27 655	29 235
Other expenditure		4 266	5 099	19 235	8 805	16 169	14 392	17 149	12 340	26 650	29 353	12 736	47 251	213 445	213 394	222 949
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		32 375	59 564	80 309	51 664	66 832	117 304	67 063	63 656	72 981	75 566	57 178	143 884	888 377	940 045	1 007 351
Surplus/(Deficit)																
Transfers recognised - capital		250	250	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	46 102	70 234	68 177	81 276
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions																
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	275 090	(12 976)	(27 298)	(908)	(19 568)	(62 386)	(10 123)	(16 290)	(11 894)	(33 739)	(5 856)	(30 623)	43 428	45 023	61 005

M: CONTRACTS HAVING FUTURE AND BUDGETARY IMPLICATIONS

Description	Ref	Preceding Years	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
		Total	Original Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1,3					
Parent Municipality:						
<u>Revenue Obligation By Contract</u>	2					
Contract 1						
Contract 2						
Contract 3 etc						
Total Operating Revenue Implication		-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2					
Standard Bank			519	550	583	
Pholo-Ka-Hola cc			386	421		
Ann Mitt Trading			239	479	479	
Total Operating Expenditure Implication		-	1 144	1 450	1 062	-
<u>Capital Expenditure Obligation By Contract</u>	2					
Vernon Mathew Architects & Associates cc			300	300	2 500	
Itroon			3 994	7 989	7 989	
Contract 3 etc						
Total Capital Expenditure Implication		-	4 294	8 289	10 489	-
Total Parent Expenditure Implication		-	5 439	9 739	11 551	-
Entities:						
<u>Revenue Obligation By Contract</u>	2					
Contract 1						
Contract 2						
Contract 3 etc						
Total Operating Revenue Implication		-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2					
Contract 1						
Contract 2						
Contract 3 etc						
Total Operating Expenditure Implication		-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2					
Contract 1						
Contract 2						
Contract 3 etc						
Total Capital Expenditure Implication		-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-

N: DETAIL CAPITAL BUDGET 2012-2015

Project/business plans supporting each line item of the proposed capital budget can be found in **APPENDIX 21**. These business plans include the total cost of the project as well as future operational costs bearing in mind the municipal tax and tariff implications. It is envisaged and suggested that the respective directors and more specifically the Engineering Directorate investigate revenue leakages (water losses) and ways of increasing revenue streams where no charges exist for services rendered. This will have the effect of reduced upward pressure on future tariffs resulting in less pressure on basic service charges being increased beyond the estimates at least over the MTREF. Consult **APPENDIX 22** for the detail alluded to.

**PLANNING AND DEVELOPMENT
CAPITAL BUDGET FOR 2012 - 2015**

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
New office furniture	Spatial Planning, Heritage & Environment	CRR	30 000	0	0
Property Management: Furniture; Tools and Equipment (FTE)	Property Management	CRR	20 000	0	0
In Situ Upgrade (WC024)	Informal Settlements	CRR	2 000 000	2 000 000	0
Property Management: Furniture; Tools and Equipment (FTE)	Property Management	CRR	40 000	0	0
Airconditioners: General	Property Management	CRR	100 000	200 000	200 000
Structural Improvements: Historic Buildings	Property Management	CRR	300 000	300 000	300 000
New Community Hall: Klapmuts	Property Management	CRR	2 000 000	2 000 000	0
La Motte: New Clubhouse	Property Management	CRR	0	0	2 000 000.00
Structural Improvements: Lapland	Property Management	CRR	0	3 000 000	3 000 000
New Municipal Offices	Property Management	CRR	5 000 000	0	0
New Municipal Offices	Property Management	External Loan		40 000 000	40 000 000
Droe Dyke	New Housing	CRR	50 000	1 500 000	0
Erf 64, Kylemore	New Housing	Sustainable Human Settlements Grant	838 392	6 166 874	7 485 000
Erf 342, Klapmuts	New Housing	Sustainable Human Settlements Grant	8 436 000	10 312 000	16 030 000
Erf 342, Klapmuts	New Housing	CRR	0	0	0
Erf 2124, Klapmuts	New Housing	Sustainable Human Settlements Grant	2 681 316	4 688 000	0
Erf 10860-11008, Idas Valley	New Housing	CRR	50 000	0	0
Farm 527, Jamestown	New Housing	CRR	500 000	0	0
Farm 527, Jamestown	New Housing	Sustainable Human Settlements Grant		3 600 000	9 000 000
Furniture & Equipment	New Housing	CRR	85 000	0	0
Furniture, Tools & Equipment	Customer Interface & Administration	CRR	16 000	0	0
Furniture , Tools & Equipment	Building Development Management	CRR	15 000	0	0
Furniture , Tools & Equipment	Housing Administration	CRR	12 000	0	0
Furniture, Tools & Equipment	Land Use Management	CRR	16 000	0	0
Kayamandi	New Housing	CRR	0	0	1 000 000
La Motte	New Housing	CRR	920 000	0	0

**PLANNING AND DEVELOPMENT
CAPITAL BUDGET FOR 2012 - 2015**

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Langrug: Franchhoek	Informal Settlements	Sustainable Human Settlements Grant	3 000 000	0	0
Longlands, Vlotenburg	New Housing	Sustainable Human Settlements Grant	3 180 000	6 199 126	0
Phase 1B (106 units)	New Housing	Electrification Programme (Eskom) Grant	800 000	0	0
Watergang Phase 2	New Housing	Sustainable Human Settlements Grant	4 822 515	0	0
Replacement of Fencing: Watergang	Property Management	CRR	400 000	0	0
Structural Improvements General	Property Management	CRR	500 000	500 000	1 500 000
Re-placement of Stellenbosch Town Hall Roof	Property Management	CRR	500 000	0	0
Vehicle Fleet: Municipal Buildings and Structures x2 Sedans	Municipal Buildings and Structures	CRR	270 000	0	0
Replacement of lift in Main Building	Property Management	CRR	600 000	0	0
Upgrading of Office Space: Traffic Department	Property Management	CRR	200 000	0	0
			37 382 223	80 466 000	80 515 000

COMMUNITY SERVICES
CAPITAL BUDGET FOR 2012 - 2015

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Beautification of Klapmuts with Hard and Soft landscaping	Environment, Sports and facilities	CRR	-	100 000	100 000
Beautification of Kylemore with Hard and Soft landscaping	Environment, Sports and facilities	Other	100 000	-	-
Beautification of main street and tourist routes	Environment, Sports and facilities	CRR	80 000	80 000	100 000
Caretaker House	Environment, Sports and facilities	CRR	-	400 000	-
Replacement of irrigation pipelines Cloetesville	Environment, Sports and facilities	Other	100 000	-	-
Building of retaining wall at Cloetesville Sport grounds	Environment, Sports and facilities	Other	330 000	22 000	-
Concrete bollard and installation	Environment, Sports and facilities	Other	30 000	10 000	-
Develop park Lanquedoc	Environment, Sports and facilities	CRR	-	200 000	-
Develop Theme park in La Motte	Environment, Sports and facilities	CRR	-	-	1 500 000
Hardening- Off structure at Beltana Municipal Nursery	Environment, Sports and facilities	CRR	-	40 000	-
Installation of Interpretative Signage	Environment, Sports and facilities	CRR	-	20 000	20 000
Installation of new gate at Voorgelegen Garden	Environment, Sports and facilities	Other	20 000	-	-
Installation of Soft and Hard Landscaping at The Ridge, Idas Valley	Environment, Sports and facilities	Other	50 000	-	-
Installation of Soft Landscaping and Irrigation at Merriman Circle	Environment, Sports and facilities	CRR	-	60 000	-
Beautification of Cloetesville with Hard and Soft landscaping	Environment, Sports and facilities	CRR	-	30 000	-
Jan Marais Park: Building of a Medicinal Garden	Environment, Sports and facilities	CRR	-	5 000	20 000
Jan Marais Park: Eco Centre IT Equipment & Equipment	Environment, Sports and facilities	Other	20 000	-	-
Jan Marais Park: Interpretive Signage	Environment, Sports and facilities	CRR	-	25 000	-
Jan Marais Park: Pole & cable fence.	Environment, Sports and facilities	CRR	-	25 000	-
Jan Marais Park: Installation of artifical grass under play equipment	Environment, Sports and facilities	CRR	-	30 000	-
Jan Marais Park: Purchase and install benches & refuse bins	Environment, Sports and facilities	CRR	-	5 000	5 000
Jan Marais Park: Purchase of irrigation pipes	Environment, Sports and facilities	Other	15 000	-	-
Jan Marais Park: Restoration of the borehole.	Environment, Sports and facilities	CRR	-	30 000	-
Jan Marais Park: Resurface Main Footpath	Environment, Sports and facilities	CRR	-	30 000	-
Jan Marais Park: Site Survey.	Environment, Sports and facilities	CRR	-	60 000	-
Jan Marais Park: Parking Area	Environment, Sports and facilities	CRR	-	25 000	-
Jonkershoek Picnic Site: Construct a ford (drift) to cross the stream.	Environment, Sports and facilities	CRR	-	75 000	-
Jonkershoek Picnic Site: Construct additional ablution facilities	Environment, Sport & Facilities	Other	150 000	-	-
Jonkershoek Picnic Site: Installation of play equipment.	Environment, Sport & Facilities	CRR	-	30 000	-

COMMUNITY SERVICES
CAPITAL BUDGET FOR 2012 - 2015

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Jonkershoek Picnic Site: Installation of water supply network.	Environment, Sport & Facilities	Other	180 000	-	-
Repairs to Kayamandi borehole	Environment, Sport and Facilities	Other	180 000	-	-
Locker rooms and storage facilities Klapmuts sport grounds	Environment, Sport and Facilities	Other	10 000	140 000	-
Installation of borehole at La Motte sport grounds	Environment, Sport and Facilities	CRR	-	-	220 000
Landscaping Kromme River	Environment, Sport & Facilities	CRR	-	300 000	-
Landscaping Rivers	Environment, Sport & Facilities	CRR	-	-	400 000
Landscaping Plankenbrug River	Environment, Sport & Facilities	CRR	-	200 000	-
Multipurpose park Cloetesville	Facilities and Sports Management	Other	80 000	500 000	-
Parks Asset Management Software	Environment, Sport & Facilities	CRR	-	200 000	-
Plantations: Installation of Fencing & Gates	Environment, Sport & Facilities	CRR	30 000	50 000	50 000
Plantations: Public Signage	Environment, Sport & Facilities	CRR	-	20 000	-
Play Equipment	Environment, Sport & Facilities	CRR	-	80 000	-
R44 Landscaping Phase 5	Environment, Sports and facilities	Other	80 000	-	-
Renovation of Eike Hall, Cloetesville	Environment sport and facilities	Other	200 000	500 000	-
Purchases of two specialized vehicles	Environment, Sport and Facilities	CRR	500 000	50 000	-
Street Refuse bins	Area Cleaning	CRR	50 000	-	-
Upgrade of Cloetesville swimming pool	Environment, Sport and Facilities	Other	450 000	50 000	0
Upgrade of Kayamandi Hall	Environment sport and facilities	CRR	-	80 000	0
Repair, replace, revamp and upgrade of town hall	Environment Sport and Facilities	CRR	400 000	10 000	0
Upgrade Parks Franschhoek	Environment, Sport & Facilities	CRR	-	-	200 000
Upgrade Ida's Valley Park	Facilities and Sports Management	CRR	-	400 000	-
Upgrade Klapmuts Parks	Facilities and Sports Management	CRR	-	300 000	160 000
Library book Detector System	Facilities and Sports Management	CRR	200 000	200 000	-
Vehicle Fleet: Forestry, Parks and Recreation	Forestry, Parks and Recreation	CRR	135 000	-	-
Unemployment Database	Community Development	CRR	100 000	-	-
Upgrade Parks	Facilities and Sports Management	CRR	-	200 000	-
			3 490 000	4 582 000	2 775 000

**PUBLIC SAFETY
CAPITAL BUDGET FOR 2012 - 2015**

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Upgrading of impoundment facility	Traffic Services	CRR	300 000	-	-
CCTV replacement & upgrading	Traffic Services	CRR	110 000	-	-
Queing system	Traffic Services	CRR	300 000	-	-
Vehicle fleet: Traffic Department x2 sedans	Traffic Services	CRR	320 000		
Safe guarding of building - palisade fencing	Traffic Services	CRR	100 000	-	-
Mobile radios	Fire Services	CRR	50 000	-	-
Revamping of single quarters	Fire Services	CRR	50 000	-	-
Klapmuts satellite fire station	Fire Services	CRR	500 000	-	-
Rescue tools(minor)	Fire Services	CRR	50 000	-	-
Vehicle fleet: Fire services 1800 ldv	Fire Services	CRR	215 000		
Wireless alarm system	Fire Services	CRR	60 000	-	-
Safe guarding of building	Fire Services	CRR	50 000	-	-
Scanner for aarto	Traffic Services	CRR	70 000		
Tools & equipment	Traffic Services	CRR	20 000		
CCTV cameras in greater Stellenbosch. Number plate recognition system	Law Enforcement	CRR	500 000	-	-
Law enforcement tools & equipment	Law Enforcement	CRR	40 000	-	-
Perimeter clock system	Law Enforcement	CRR	150 000	-	-
Deploy computerized access security systems and CCTV cameras at municipal buildings in greater stellenbosch	Law Enforcement	CRR	350 000	-	-
Hand-held metal detector	Law Enforcement	CRR	30 000		
Police type canopies for 3x np200 ldv's	Law Enforcement	CRR	80 000	-	-
Furniture tools & equipment	Public Safety	CRR	100 000		
Furniture tools & equipment - Municipal Court	Public Safety	CRR	-		
Municipal Court	Public Safety	CRR	-	500 000	500 000
			3 445 000	500 000	500 000

ENGINEERING SERVICES
CAPITAL BUDGET FOR 2012 - 2015

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Buildings & Facilities	Electricity	CRR	90 000	100 000	100 000
Small Capital: FTE Electrical Eng Serv	Electricity	CRR	90 000	100 000	100 000
Provision of streetlighting - Ad-hoc	Electricity	CRR	235 000	250 000	250 000
General Systems Improvement	Electricity	CRR	2 250 000	2 500 000	2 500 000
Tindal - Switchgear (11kV)	Electricity	CRR	-	-	3 064 980
Distell - Switchgear (11kV)	Electricity	CRR	-	-	2 039 650
Sonneblom - Switchgear (11kV)	Electricity	CRR	-	3 252 000	-
Karendal - Switchgear (11kV)	Electricity	CRR	2 400 000	-	-
Hoffman - Switchgear (11kV)	Electricity	CRR	2 400 000	-	-
Universiteit - Outdoor Breakers (66kV)	Electricity	CRR	800 000	-	-
Jan Marais - Isolators (66kV)	Electricity	CRR	950 000	-	-
Boord - Switchgear (11kV)	Electricity	CRR	2 400 000	-	-
Begraafplaas - Switchgear (11kV)	Electricity	CRR	-	-	3 399 420
System Control Centre & Upgrade Telemetry	Electricity	CRR	950 000	1 000 000	1 000 000
Merriman Z - Kromrivier Feeder	Electricity	CRR	-	-	2 753 000
Watergang Supply Cables	Electricity	CDF Electricity	5 300 000	-	-
Jan Marais Expansion (Transformer)	Electricity	External Loan	-	9 642 000	-
Klapmuts - Pre-engineering costs for low cost housing	Electricity	CRR	100 000	-	-
Energy balancing between metering and mini-sub	Electricity	CRR	100 000	100 000	100 000
Meter Panels	Electricity	CRR	250 000	250 000	250 000
Automatic Meter Reader	Electricity	CRR	300 000	300 000	300 000
Replace Ineffective Meters & Energy balance of Minisubs	Electricity	CRR	500 000	500 000	500 000
Electricity Demand Side Management	Electricity	Electricity Demand Side Management (Municipal) Grant	8 000 000	-	-
Markotter University 66KV Cable - Phase 1 & 2	Electricity	External Loan	13 541 082	-	-
Flood prevention Projects	Roads & Stormwater	CRR	370 000	600 000	800 000
Structural Repairs Parking	Roads & Stormwater	CRR	-	500 000	450 000
Upgrading of Main Roads and Streets	Roads & Stormwater	CRR	1 800 000	2 000 000	2 200 000
Upgrading Marais Street	Roads & Stormwater	CRR	-	2 000 000	-
Upgrading Martinson Street	Roads & Stormwater	CRR	-	-	2 000 000
New Bulk Stormwater	Roads & Stormwater	CRR	-	500 000	500 000

ENGINEERING SERVICES
CAPITAL BUDGET FOR 2012 - 2015

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Update Roads Masterplan	Roads & Stormwater	CRR	-	300 000	300 000
Traffic Calming Projects	Traffic Engineering	CRR	1 200 000	1 525 000	2 375 000
Road Transport Safety Projects	Traffic Engineering	CRR	-	-	875 000
WC024: Main Road Intersection Improvements (Planning & Design)	Traffic Engineering	CRR	-	500 000	-
WC024: Main Road Intersection Improvements (Construction)	Traffic Engineering	CRR	-	-	2 000 000
Traffi Signal Control: WC024 (SCOOT)	Traffic Engineering	CRR	1 500 000	1 500 000	1 000 000
LDV: Traffic Signal Maintenance	Traffic Engineering	CRR	-	150 000	-
LDV: Roads and Signs Maintenance	Traffic Engineering	CRR	-	-	400 000
Small Capital	Traffic Engineering	CRR	50 000	75 000	75 000
Specialised Equipment	Traffic Engineering	CRR	-	200 000	-
Roads Signs Management System	Traffic Engineering	CRR	-	250 000	200 000
Traffic Signal Management System	Traffic Engineering	CRR	-	500 000	200 000
Traffic Calming Management System	Traffic Engineering	CRR	-	500 000	200 000
Road Traffic Sign Design System	Traffic Engineering	CRR	-	30 000	-
Traffic Management Improvement Programme	Traffic Engineering	CRR	500 000	500 000	500 000
Comprehensive Integrated Transport Plan	Transport Planning	CRR	200 000	200 000	200 000
Comprehensive Integrated Transport Plan	Transport Planning	Integrated Transport Planning Grant	396 000	396 000	900 000
NMT Upgrades	Traffic Engineering	CRR	1 250 000	1 250 000	1 500 000
Public Transport Facilities	Transport Planning	CRR	300 000	500 000	650 000
Construction of Tar Sidewalks	Transport Planning	CRR	1 250 000	300 000	300 000
Construction of Tar Sidewalks	Transport Planning	MIG	940 000	2 715 000	-
Stormwater Masterplan Implementation	Roads & Stormwater	CRR	890 000	1 750 000	2 250 000
Reconstruction of Roads	Roads & Stormwater	CRR	4 000 000	4 500 000	5 000 000
River Rehabilitation	Roads & Stormwater	CRR	400 000	500 000	600 000
Major Roads	Roads & Stormwater	CDF Roads	1 358 220	-	-
Major Roads	Roads & Stormwater	Maintenance of Proclaimed Roads Grant	160 000	-	-
Specialized Equipment	Roads & Stormwater	CRR	100 000	100 000	100 000
Stormwater projects	Roads & Stormwater	CRR	-	500 000	-
Stormwater Masterplan Update	Roads & Stormwater	CRR	-	300 000	500 000
1/2 and 1 Ton LDV: Roads	Roads & Stormwater	CRR	300 000	600 000	
(Rehab) Upgrade of disposal site	Solid Waste	CRR	2 000 000	-	-

ENGINEERING SERVICES
CAPITAL BUDGET FOR 2012 - 2015

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
(Rehab) Upgrade of disposal site	Solid Waste	MIG	-	5 000 000	5 000 000
New Cell	Solid Waste	CRR	1 600 000	-	-
Section 78	Solid Waste	CRR	250 000	350 000	350 000
Specialized Vehicles - 1 Refuse Compactor	Solid Waste	CRR	2 000 000	-	-
Mini Waste Drop off Facilities	Solid Waste	CRR	500 000	500 000	500 000
Wheely Bin	Solid Waste	CRR	350 000	-	-
Specialised Equipment - Digester	Solid Waste	CRR	70 000	-	-
Upgrade of WWTW: Klapmuts	Development Services	CDF Sewerage	1 680 000	-	-
Upgrade of WWTW: Klapmuts	Development Services	Regional Bulk Infrastructure Grant	-	-	20 000 000
Upgrade of WWTW: Wemmershoek	Water	External Loan	-	14 000 000	-
Upgrade of WWTW: Wemmershoek	Water	MIG	24 480 000	12 600 000	-
Decommissioning of Franschoek WWTW	Water	CRR	-	-	500 000
Refurbishment of WWTW: Stellenbosch	Water	External Loan	8 736 166	-	-
Refurbishment of WWTW: Stellenbosch	Water	Regional Bulk Infrastructure Grant	5 000 000	-	-
New 9ML WWTW: Klapmuts - Construction (3 Phases of 3ML)	Water	CRR	280 000	1 000 000	1 000 000
Refurbishment Plant & Equipment - Raithby WWTW	Water	CRR	-	300 000	-
Asset Management Planning	Development Services	CRR	1 000 000	1 000 000	1 000 000
Upgrade Depot Facilities	Development Services	CRR	600 000	1 100 000	1 000 000
Furniture , Tools and Equipment	Development Services	CRR	50 000	50 000	150 000
Upgrade and maintenance of GIS / MIS	Development Services	CRR	500 000	500 000	500 000
Environmental studies for Bulk Services	Development Services	CRR	100 000	500 000	-
Planning & Design bulk services for Housing	Development Services	CRR	100 000	500 000	-
Upgrade of WWTW: Klapmuts	Development Services	Other (PGWC discretionary - DHS)	2 900 000	-	-
Construction of Main Road - Klapmuts	Development Services	Other (PGWC discretionary - DHS)	1 600 000	-	-
Bulk Sewerpipe - Klapmuts	Development Services	Other (PGWC discretionary - DHS)	3 000 000	-	-
Refurbish Plant & Equipment - Pniel WWTW	Water Services	CRR	-	-	300 000
Crew Cabs x2: Sanitation	Water Services	CRR	710 000	750 000	750 000
6-8 Ton Tipper Truck: Water	Water Services	CRR	650 000	-	-
Furniture , Tools and Equipment:Sanitation	Water Services	CRR	50 000	50 000	50 000
Upgrade Laboratory Equipment	Water Services	CRR	475 000	750 000	-
Upgrade Auto- samplers	Water Services	CRR	500 000	500 000	500 000

ENGINEERING SERVICES
CAPITAL BUDGET FOR 2012 - 2015

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Bulk Sewer Retic: Jamestown	Water Services	CRR	-	500 000	-
Bulk Sewer Retic: Jamestown	Water Services	MIG	-	-	5 000 000
Bulk Sewer Retic: Stellenbosch	Water Services	CRR	-	1 000 000	1 000 000
Sewerpipe replacement : Dorp Street	Water Services	CRR	-	500 000	-
Sewerpipe replacement : Dorp Street	Water Services	External Loan	-	-	9 500 000
New Plankenburg Main Sewer outfall	Water Services	CRR	-	1 500 000	2 000 000
New Plankenburg Main Sewer outfall	Water Services	MIG	-	-	5 000 000
Sewer Pumpstation & Telemetry Upgrade	Water Services	CRR	-	500 000	-
1/2 and 1 Ton LDV's: Reticulation	Water Services	CRR	500 000	800 000	1 000 000
Furniture , Tools and Equipment: Reticulation	Water Services	CRR	50 000	100 000	100 000
Update Water Master Plan (tri - annually)	Water Services	CRR	-	-	250 000
Water & Sanitation Management Software	Water Services	CRR	-	150 000	150 000
Compilation of Water Services Development Plan (tri annually)	Water Services	CRR	-	-	300 000
Bulk water supply line and pumpstation: Franschhoek	Water Services	CRR	2 850 000	3 150 000	-
Bulk water supply pipe: Cloetesville/ Idas valley	Water Services	External Loan	-	3 000 000	10 000 000
Bulk water supply pipe: Cloetesville/ Idas valley	Water Services	CRR	950 000	600 000	
Bulk water supply- Jamestown	Development Services	External Loan	1 500 000	2 500 000	6 200 000
Bulk water supply pipe & 5 MI Reservoir: Kayamandi	Water Services	CDF Water	1 100 000	-	-
Bulk water supply pipe & 5 MI Reservoir: Kayamandi	Water Services	Regional Bulk Infrastructure Grant	-	10 000 000	
Bulk water supply & 5 MI Reservoir: Klapmuts	Water Services	CDF Water	755 000	-	-
Bulk water supply & 5 MI Reservoir: Klapmuts	Water Services	MIG	-	6 500 000	-
Bulk water supply & 2x2 MI Reservoir: Johannesburg & Kylemore	Water Services	CRR	-	600 000	800 000
Bulk water supply pipe: Idas Valley/Papegaaiberg	Water Services	CRR	475 000	1 000 000	10 000 000
Water Treatment Works: Idas Valley- New Filterbeds	Water Services	CRR	850 000	-	-
Water Treatment Works: Paradyskloof	Water Services	CRR	-	1 200 000	300 000
Water Treatment Works: Paradyskloof	Water Services	MIG	-	-	11 365 000
Water Treatment Works: Franschhoek- Construction	Water Services	CRR	-	100 000	-
New 2.5 MI Reservoir: Groendal	Water Services	CRR	700 000	3 000 000	-
New 5 MI Reservoir: Cloetesville	Water Services	CRR	-	500 000	-
New 5 MI Reservoir: Cloetesville	Water Services	CDF Water	770 000	-	-
New Reservoir: Polkadraai	Water Services	CRR	-	400 000	400 000

ENGINEERING SERVICES
CAPITAL BUDGET FOR 2012 - 2015

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Storage Dam 1 & 2: Upgrade	Water Services	CRR	-	600 000	250 000
Chlorination Installation: MHI-study	Water Services	CRR	640 000	280 000	780 000
Water conservation & Demand Management	Water Services	CRR	475 000	500 000	500 000
Water Pumpstation Klapmuts	Water Services	CRR	-	1 910 000	500 000
Reservoir and Dam safety	Water Services	CRR	350 000	1 000 000	1 500 000
New Water Retic; Klapmuts	Water Services	CRR	-	500 000	-
New Water Retic; Klapmuts	Water Services	MIG	-	-	2 000 000
New Water Retic: Dwarsrivier Valley	Water Services	CRR	-	200 000	2 300 000
New Water Retic:Stellenbosch	Water Services	CRR	-	1 500 000	2 500 000
Waterpipe replacement	Water Services	CRR	8 000 000	8 000 000	8 000 000
Water Telemetry Upgrade	Water Services	CRR	280 000	200 000	200 000
Vehicle Fleet: Cleansing 2L LDV	Cleansing	CRR	135 000	-	-
Upgrade and bulk replace water meters	Water Services	CRR	1 710 000	750 000	750 000
			138 891 468	135 725 000	156 677 050

FINANCIAL SERVICES
CAPITAL BUDGET FOR 2012 - 2015

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Upgrading of Financial Management Systems and Modules	General	CRR	200 000	-	-
Furniture, Tools and Equipment	General	CRR	80 000	70 000	70 000
Purchasing and Replacement of new computer systems, equipment, software, etc.	Information and Communication Technology	CRR	1 700 000	1 800 000	2 000 000
Vehicle fleet: Financial Services General x2	General	CRR	270 000		
Telephone systems	Information and Communication Technology	CRR	150 000	-	-
			2 400 000	1 870 000	2 070 000

CORPORATE AND STRATEGIC SERVICES
CAPITAL BUDGET FOR 2012 - 2015

Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Vehicle Fleet: Sedan	Documentation and Archives	CRR	135 000		
			135 000	-	-

O: LEGISLATION COMPLIANCE

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

- Budget and Treasury Office - A Budget Office and Treasury Office has been established in accordance with the MFMA.
- Budgeting - The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.
- Financial reporting - 100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial and National Treasury.
- Annual Report - The annual report is prepared in accordance with the MFMA and National Treasury requirements.

P: OTHER SUPPORTING DOCUMENTS

Additional information/schedules in accordance with the budget and reporting regulations:

SA1	-	Supporting detail to Budgeted Financial Performance
SA2	-	Matrix Financial Performance Budget (revenue source/expenditure type)
SA3	-	Supporting detail to Budgeted Financial Position
SA4	-	Reconciliation of IDP strategic objectives and budget (revenue)
SA5	-	Reconciliation of IDP strategic objectives and budget (operational expenditure)
SA6	-	Reconciliation of IDP strategic objectives and budget (capital expenditure)
SA7	-	Measurable Performance Objectives
SA8	-	Performance indicators and benchmarks
SA9	-	Social, economic and demographic statistics and assumptions
SA10	-	Funding measurement
SA11	-	Property Rates Summary
SA12a-		Property rates by category (2011/2012)
SA12b-		Property rates by category (2012/2013)
SA13		Service Tariffs by category
SA14	-	Household bills
SA15	-	Investment particulars by type
SA16	-	Investment particulars by maturity
SA17	-	Borrowing
SA18	-	Transfers and grant receipts

SA20 -	Reconciliation of transfers grant receipts and unspent funds
SA24 -	Summary of personnel numbers
SA26 -	Budgeted monthly revenue and expenditure (municipal vote)
SA27 -	Budgeted monthly revenue and expenditure (standard)
SA28 -	Budgeted monthly capital expenditure (municipal vote)
SA29 -	Budgeted monthly capital expenditure (standard)
SA30 -	Budgeted monthly cash flow
SA31 -	Not applicable
SA32 -	List of external mechanism
SA34a-	Capital expenditure on new asset class
SA34b-	Capital expenditure on the renewal of existing assets by asset class
SA34c-	Repairs and maintenance expenditure by asset class
SA34d	Depreciation by asset class
SA35 -	Future financial implications of the capital budget
SA36 -	Detailed Capital Budget
SA37 -	Projects delayed from previous financial years

WC024 Stellenbosch - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		117 471	199 946	205 068	201 715	205 715	205 715	205 715	220 938	233 429	246 624
less Revenue Foregone			20 753	21 777	22 518	22 518	22 518	22 518	23 846	25 253	26 743
Net Property Rates		117 471	179 194	183 291	179 197	183 197	183 197	183 197	197 092	208 176	219 881
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		183 711	237 391	302 890	332 001	332 001	332 001	332 001	366 592	407 038	443 620
less Revenue Foregone											
Net Service charges - electricity revenue		183 711	237 391	302 890	332 001	332 001	332 001	332 001	366 592	407 038	443 620
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		60 019	70 172	82 233	69 677	72 177	72 177	72 177	76 805	81 632	86 557
less Revenue Foregone											
Net Service charges - water revenue		60 019	70 172	82 233	69 677	72 177	72 177	72 177	76 805	81 632	86 557
<u>Service charges - sanitation revenue</u>	6										
Total Service charges - sanitation revenue		34 454	42 223	42 709	46 896	46 896	46 896	46 896	51 274	56 110	61 441
less Revenue Foregone											
Net Service charges - sanitation revenue		34 454	42 223	42 709	46 896	46 896	46 896	46 896	51 274	56 110	61 441
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue		23 242	25 240	26 949	27 936	27 936	27 936	27 936	32 934	35 732	38 769
Total landfill revenue											
less Revenue Foregone		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		23 242	25 240	26 949	27 936	27 936	27 936	27 936	32 934	35 732	38 769
<u>Other Revenue by source</u>	3										
Building Fees		2 874	2 405	3 477	2 652	2 652	2 652	2 652	2 785	2 924	3 099
Wood Sales		2 459	1 939	2 089	1 155	1 155	1 155	1 155	1 200	1 260	1 336
Testing Of Drivers: Stellenbos		785	695	890	767	767	767	767	805	845	896
Application Fees		416	373	327	411	411	411	411	632	674	721
Inspection Of Vehicles		398	407	396	449	449	449	449	471	495	524
Digging Of Graves		386	373	413	411	411	411	411	432	454	481
Parking Fees: Bloemhof		294	334	449	369	369	369	369	387	407	431
Other Revenue		12 378	69 847	9 960	7 822	7 822	7 822	7 822	5 259	5 551	5 884
Total 'Other' Revenue	1	19 991	76 374	18 002	14 036	14 036	14 036	14 036	11 971	12 608	13 372
EXPENDITURE ITEMS:											
<u>Employee related costs</u>	2										
Salaries and Wages		115 453	137 366	143 354	155 221	155 142	155 142	155 142	164 092	172 457	181 249
Contributions to UIF, pensions, medical aid		30 702	34 151	39 676	42 167	42 167	42 167	42 167	45 449	47 769	50 206
Travel, motor car, accom; & other allowances		24 219	28 831	27 613	27 287	27 425	27 425	27 425	27 758	29 176	30 666
Housing benefits and allowances		2 562	1 967	1 356	1 674	1 674	1 674	1 674	1 504	1 581	1 661
Overtime		6 712	6 724	8 367	6 529	6 529	6 529	6 529	7 411	7 790	8 187
Performance bonus		39	-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
sub-total	5	179 687	209 039	220 366	232 877	232 937	232 937	232 937	246 214	258 772	271 970
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	179 687	209 039	220 366	232 877	232 937	232 937	232 937	246 214	258 772	271 970
<u>Contributions recognised - capital</u>											
Contract 1		-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-
Contract 3		-	-	-	-	-	-	-	-	-	-
Contract 4		-	-	-	-	-	-	-	-	-	-
Contract 5		-	-	-	-	-	-	-	-	-	-
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
<u>Depreciation & asset impairment</u>											
Depreciation of Property, Plant & Equipment		42 389	119 482	90 603	111 681	111 681	111 681	111 681	113 922	116 213	118 549
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE											
Total Depreciation & asset impairment	1	42 389	119 482	90 603	111 681	111 681	111 681	111 681	113 922	116 213	118 549
<u>Bulk purchases</u>											
Electricity Bulk Purchases		96 267	126 685	161 023	205 428	209 508	209 508	209 508	238 016	270 148	306 618
Water Bulk Purchases		10 073	11 188	12 648	13 762	13 762	13 762	13 762	14 087	14 973	16 009
Total bulk purchases	1	106 339	137 873	173 671	219 189	223 269	223 269	223 269	252 103	285 122	322 627

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand												
Transfers and grants												
Cash transfers and grants	1	14 879	14 157	12 980	22 462	23 762	23 762	23 762	26 016	27 453	29 031	
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–	
Total transfers and grants		14 879	14 157	12 980	22 462	23 762	23 762	23 762	26 016	27 453	29 031	
Contracted services												
Commitment Fees:Dbsa	1	–	76	121	90	360	360	360	95	101	107	
Hire Of Equipment		2 357	2 827	3 199	3 603	3 556	3 556	3 556	4 014	4 325	4 588	
Rent: Offices		3 231	3 344	4 369	5 166	5 166	5 166	5 166	5 969	6 601	7 091	
Rental: Vehicles		419	282	476	1 434	700	700	700	1 997	2 127	2 244	
Contract 5		–	–	–	–	–	–	–	–	–	–	
Contract 6		–	–	–	–	–	–	–	–	–	–	
Contract 7		–	–	–	–	–	–	–	–	–	–	
Contract 8		–	–	–	–	–	–	–	–	–	–	
Contract 9		–	–	–	–	–	–	–	–	–	–	
Contract 10		–	–	–	–	–	–	–	–	–	–	
Contract 11		–	–	–	–	–	–	–	–	–	–	
Contract 12		–	–	–	–	–	–	–	–	–	–	
Contract 13		–	–	–	–	–	–	–	–	–	–	
Contract 14		–	–	–	–	–	–	–	–	–	–	
Contract 15		–	–	–	–	–	–	–	–	–	–	
Contract 16		–	–	–	–	–	–	–	–	–	–	
Contract 17		–	–	–	–	–	–	–	–	–	–	
Contract 18		–	–	–	–	–	–	–	–	–	–	
Contract 19		–	–	–	–	–	–	–	–	–	–	
Contract 20		–	–	–	–	–	–	–	–	–	–	
Contract 21		–	–	–	–	–	–	–	–	–	–	
Contract 22		–	–	–	–	–	–	–	–	–	–	
Contract 23		–	–	–	–	–	–	–	–	–	–	
Contract 24		–	–	–	–	–	–	–	–	–	–	
Other Contracts		–	–	–	–	1	1	1	1	–	–	–
sub-total		1	6 007	6 530	8 165	10 295	9 784	9 784	9 784	12 076	13 154	14 029
Allocations to organs of state:												
Electricity		1	–	–	–	–	–	–	–	–	–	–
Water			–	–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–	–
Other			–	–	–	–	–	–	–	–	–	–
Total contracted services	1	6 007	6 530	8 165	10 295	9 784	9 784	9 784	12 076	13 154	14 029	
Other Expenditure By Type												
Collection costs	3	169	83	94	108	663	663	663	160	165	170	
Contributions to 'other' provisions		42 717	34 214	31 708	34 349	34 349	34 349	34 349	37 989	41 819	42 985	
Consultant fees		4 264	5 382	5 194	7 378	5 656	5 656	5 656	5 347	5 423	5 604	
Audit fees		1 370	2 786	2 925	3 087	3 557	3 557	3 557	3 902	3 777	3 974	
General expenses		93 709	63 737	65 983	86 792	83 516	83 516	83 516	66 598	68 541	71 242	
Agency Services: Speeding (Syntell)		6 893	6 758	6 417	8 143	8 092	8 092	8 092	7 132	7 550	8 099	
Agency Services: Pre-paid Meter (Itron)		2 581	1 675	2 802	2 204	4 204	4 204	4 204	4 896	5 466	5 752	
Huosing Projects Expenditure (Top Structure)		–	13 044	19 999	14 420	3 419	3 419	3 419	13 763	–	–	
Printing and Stationery		1 583	1 567	1 520	1 714	1 756	1 756	1 756	1 873	1 979	2 098	
Membership Fees: SALGA		852	1 116	1 136	1 242	1 237	1 237	1 237	1 397	1 478	1 567	
Legal Cost		7 153	9 164	8 329	3 560	11 118	11 118	11 118	4 682	5 323	5 667	
Security		2 076	1 797	2 879	2 474	3 210	3 210	3 210	3 500	3 675	3 859	
Buildings: Routine Maintenance		3 421	3 930	3 710	4 031	4 621	4 621	4 621	4 869	5 413	5 968	
Other Repairs and Maintenance		43 092	44 163	44 391	57 146	53 000	53 000	53 000	57 536	62 988	66 171	
Total 'Other' Expenditure		1	209 879	189 416	197 087	226 648	218 398	218 398	218 398	213 646	213 596	223 153
by Expenditure Item												
Employee related costs	8											
Other materials												
Contracted Services												
Other Expenditure		46 513	48 093	48 101	61 177	57 622	57 622	57 622	62 405	68 401	72 138	
Total Repairs and Maintenance Expenditure	9	46 513	48 093	48 101	61 177	57 622	57 622	57 622	62 405	68 401	72 138	

WC024 Stellenbosch - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - MUNICIPAL MANAGER'S OFFICE	Vote 2 - PLANNING AND DEVELOPMENT	Vote 3 - COMMUNITY SERVICES	Vote 5 - CIVIL ENGINEERING SERVICES	Vote 6 - PUBLIC SAFETY	Vote 7 - CORPORATE SERVICES	Vote 9 - FINANCIAL SERVICES	Total
R thousand	1								
Revenue By Source									
Property rates		-	-	-	-	-	-	197 092	197 092
Property rates - penalties & collection charges		-	-	-	2 469	-	-	-	2 469
Service charges - electricity revenue		-	-	-	366 592	-	-	-	366 592
Service charges - water revenue		-	-	-	76 805	-	-	-	76 805
Service charges - sanitation revenue		-	-	-	51 274	-	-	-	51 274
Service charges - refuse revenue		-	-	-	32 934	-	-	-	32 934
Service charges - other		-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	13 057	473	207	116	229	-	14 082
Interest earned - external investments		-	-	-	-	-	-	19 707	19 707
Interest earned - outstanding debtors		-	-	-	1 278	-	-	3 687	4 965
Dividends received		-	-	-	-	-	-	-	-
Fines		-	35	43	123	17 098	-	-	17 299
Licences and permits		-	-	-	686	3 781	-	242	4 709
Agency services		-	-	-	-	1 172	-	-	1 172
Other revenue	1	5 394	3 065	868	2 175	20	447	11 971	
Transfers recognised - operational		-	13 763	2 563	20 210	-	881	23 081	60 499
Gains on disposal of PPE		-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)		1	32 249	6 145	553 445	24 343	1 131	244 256	861 571
Expenditure By Type									
Employee related costs		10 004	30 472	36 455	76 656	46 492	16 129	30 006	246 214
Remuneration of councillors		-	-	-	-	-	12 862	-	12 862
Debt impairment		-	-	-	-	-	-	-	-
Depreciation & asset impairment	93	15 886	4 251	89 263	2 227	1 219	983	113 922	
Finance charges		-	-	-	11 538	-	-	-	11 538
Bulk purchases		-	-	-	252 103	-	-	-	252 103
Other materials		-	-	-	-	-	-	-	-
Contracted services	25	6 812	454	2 954	99	598	1 132	12 076	
Transfers and grants		-	-	-	-	4 985	21 031	26 016	
Other expenditure	10 488	33 254	13 057	74 966	22 565	33 165	26 150	213 646	
Loss on disposal of PPE		-	-	-	-	-	-	-	-
Total Expenditure		20 610	86 424	54 218	507 481	71 383	68 958	79 302	888 377
Surplus/(Deficit)		(20 609)	(54 175)	(48 073)	45 964	(47 040)	(67 827)	164 954	(26 806)
Transfers recognised - capital		-	23 758	-	46 476	-	-	-	70 234
Contributions recognised - capital		-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(20 609)	(30 417)	(48 073)	92 440	(47 040)	(67 827)	164 954	43 428

References

1. Departmental columns to be based on municipal organisation structure

WC024 Stellenbosch - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand												
ASSETS												
Call investment deposits	2			–		–	–	–	#VALUE!	#VALUE!	#VALUE!	
Call deposits < 90 days												
Other current investments > 90 days		198 463	224 973	301 227	270 416	287 989	287 989	287 989	298 029	297 284	279 778	
Total Call investment deposits		198 463	224 973	301 227	270 416	287 989	287 989	287 989	#VALUE!	#VALUE!	#VALUE!	
Consumer debtors												
Consumer debtors	2	103 374	113 275	130 802	144 626	144 626	144 626	144 626	153 565	173 665	195 423	
Less: Provision for debt impairment		(47 667)	(34 456)	(32 434)	(33 875)	(33 875)	(33 875)	(33 875)	(35 932)	(38 103)	(40 404)	
Total Consumer debtors		55 706	78 820	98 368	110 751	110 751	110 751	110 751	117 633	135 562	155 019	
Debt impairment provision												
Balance at the beginning of the year		22 654	41 723	34 456	30 423	30 423	32 434	32 434	33 875	35 932	38 103	
Contributions to the provision		25 013	5 253	(2 022)	13 353	13 353	14 049	14 049	14 746	15 561	16 495	
Bad debts written off		–	(12 520)	–	(12 608)	(12 608)	(12 608)	(12 608)	(12 689)	(13 390)	(14 194)	
Balance at end of year		47 667	34 456	32 434	31 168	31 168	33 875	33 875	35 932	38 103	40 404	
Property, plant and equipment (PPE)												
PPE at cost/valuation (excl. finance leases)	3	2 819 755	2 966 813	3 110 366	3 308 532	3 319 569	3 319 569	3 319 569	3 505 063	3 725 706	3 968 243	
Leases recognised as PPE		3 324	–	–	–	–	–	–	#VALUE!	#VALUE!	#VALUE!	
Less: Accumulated depreciation		341 125	362 092	460 658	572 339	572 339	572 339	572 339	686 261	802 473	921 022	
Total Property, plant and equipment (PPE)	2	2 481 954	2 604 721	2 649 708	2 736 193	2 747 231	2 747 231	2 747 231	#VALUE!	#VALUE!	#VALUE!	
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)	2	–	–	–	–	–	–	–	#VALUE!	#VALUE!	#VALUE!	
Current portion of long-term liabilities		1 538	4 602	3 783	3 713	3 713	3 713	3 713	4 012	5 527	6 097	
Total Current liabilities - Borrowing		1 538	4 602	3 783	3 713	3 713	3 713	3 713	#VALUE!	#VALUE!	#VALUE!	
Trade and other payables												
Trade and other creditors	2	62 935	90 918	100 245	82 359	82 359	82 359	82 359	79 586	78 457	79 125	
Unspent conditional transfers		76 294	58 610	57 096	26 354	26 354	26 354	26 354	23 456	21 500	21 225	
VAT		447	–	307	–	–	–	–	#VALUE!	#VALUE!	#VALUE!	
Total Trade and other payables		139 676	149 528	157 649	108 713	108 713	108 713	108 713	#VALUE!	#VALUE!	#VALUE!	
Non current liabilities - Borrowing												
Borrowing	4	25 468	35 199	37 759	84 807	93 381	93 381	93 381	113 146	176 761	236 364	
Finance leases (including PPP asset element)		–	–	–	–	–	–	–	#VALUE!	#VALUE!	#VALUE!	
Total Non current liabilities - Borrowing		25 468	35 199	37 759	84 807	93 381	93 381	93 381	#VALUE!	#VALUE!	#VALUE!	
Provisions - non-current												
Retirement benefits		57 645	105 862	131 603	137 913	137 913	137 913	137 913	144 119	140 516	138 408	
List other major provision items												
Refuse landfill site rehabilitation				–					#VALUE!	#VALUE!	#VALUE!	
Other	1	27 701	45 437	49 931	50 648	50 648	50 648	50 648	51 256	52 369	53 249	
Total Provisions - non-current		85 345	151 299	181 533	188 561	188 561	188 561	188 561	#VALUE!	#VALUE!	#VALUE!	
CHANGES IN NET ASSETS												
Accumulated Surplus/(Deficit)												
Accumulated Surplus/(Deficit) - opening balance	1	(42 141)	1 449 668	1 513 076	1 592 604	1 592 604	1 592 604	1 592 604	1 590 226	1 607 763	1 648 073	
GRAP adjustments		901 888	(14 461)	–	(4 697)	(4 728)	(4 728)	(4 728)				
Restated balance		859 748	1 435 208	1 513 076	1 587 907	1 587 876	1 587 876	1 587 876	1 590 226	1 607 763	1 648 073	
Surplus/(Deficit)		4 166	82 696	82 460	13 345	20 356	20 356	20 356	43 428	45 023	61 509	
Appropriations to Reserves		70 877	64 079	21 009	1 802	1 667	1 667	1 667	23 076	40 312	33 894	
Transfers from Reserves		(87 718)	(74 568)	(4 210)	(49 592)	(49 592)	(49 592)	(49 592)	(79 500)	(76 172)	(80 806)	
Depreciation offsets		31 094	22 822	(19 731)	29 919	29 919	29 919	29 919	30 518	31 132	31 758	
Other adjustments		(4 443)		–					15	15	15	
Accumulated Surplus/(Deficit)			873 723	1 530 237	1 592 604	1 583 380	1 590 226	1 590 226	1 590 226	1 607 763	1 648 073	1 694 443
Reserves												
Housing Development Fund		6 899	8 674	2 474	2 562	2 562	2 562	2 562	2 562	2 562	2 562	
Capital replacement		129 239	112 472	113 131	68 253	68 253	68 253	68 253	68 979	60 548	46 298	
Self-insurance		7 728	8 822	9 885	11 113	11 113	11 113	11 113	11 113	11 113	11 113	
Other reserves	2	1 638 948	659 185	674 623	779 634	789 120	789 120	789 120	841 794	880 061	929 579	
Revaluation		383 401	809 656	840 249	836 544	840 249	840 249	840 249	836 469	832 614	828 681	
Total Reserves		2 166 215	1 598 808	1 640 361	1 698 106	1 711 297	1 711 297	1 711 297	1 760 917	1 786 899	1 818 232	
TOTAL COMMUNITY WEALTH/EQUITY	2	3 039 938	3 129 045	3 232 966	3 281 486	3 301 522	3 301 522	3 301 522	3 368 681	3 434 972	3 512 675	
Total capital expenditure includes expenditure on nationally significant priorities:												
Provision of basic services												
Engineering Services		1 521 184	81 806	94 676	146 349	164 237	164 237	164 237	138 891	135 725	156 677	

WC024 Stellenbosch - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
1. A Leader In Governance, Partnership And Citizen Participation		1 077	6 354	3 472	3 639	4 041	4 041	983	1 032	1 088
2. A Skilled And Customer Focused Administration		–	–	–	–	–	–	–	–	–
3. Sound Municipal Financials		177 494	216 760	228 524	240 935	244 935	244 935	244 256	257 981	272 796
4. A Treasured, Protected Environment		4 348	3 988	4 476	1 846	1 846	1 846	2 684	2 022	2 144
5. Responsible Spatial And Development Management		3 588	2 995	3 981	2 882	2 882	2 882	3 229	3 402	3 613
6. Fostering Opportunity For Enterprise, Creativity And Business Development		182	343	155	401	401	401	421	444	471
7. Dignified Living		19 159	95 047	33 394	57 246	39 733	39 733	55 967	48 827	51 448
8. Efficient Infrastructure And Services		342 949	434 062	514 972	526 013	542 314	542 314	599 921	645 798	710 205
9. A Safe Town		25 925	23 698	21 430	23 184	23 684	23 684	24 343	25 560	27 094
Allocations to other priorities	2									
Total Revenue (excluding capital transfers and grants)	1	574 721	783 246	810 405	856 146	859 836	859 836	931 805	985 067	1 068 860

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

WC024 Stellenbosch - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
1. A Leader In Governance, Partnership And Citizen Participation	56 069	43 754	54 682	73 075	75 978	75 978	63 643	67 506	69 767
2. A Skilled And Customer Focused Administration	8 382	2 552	6 354	6 494	6 094	6 094	4 934	4 526	4 684
3. Sound Municipal Financials	84 085	21 831	67 847	68 613	68 915	68 915	57 630	61 450	62 462
4. A Treasured, Protected Environment	14 931	17 547	11 828	13 682	14 755	14 755	15 395	16 537	17 497
5. Responsible Spatial And Development Management	15 072	11 356	12 128	15 490	15 442	15 442	15 637	16 310	17 015
6. Fostering Opportunity For Enterprise, Creativity And Business Development	4 016	3 843	4 649	5 560	5 986	5 986	6 123	6 441	6 773
7. Dignified Living	67 141	67 107	84 796	87 247	76 650	76 650	97 834	87 432	91 034
8. Efficient Infrastructure And Services	266 819	483 695	429 447	512 622	514 030	514 030	562 436	611 714	666 433
9. A Safe Town	54 842	48 867	56 216	60 017	61 630	61 630	64 744	68 128	71 686
Allocations to other priorities									
Total Expenditure	571 357	700 551	727 945	842 801	839 480	839 480	888 377	940 045	1 007 351

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

WC024 Stellenbosch - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
1. A Leader In Governance, Partnership And Citizen Participation							–	–	–
2. A Skilled And Customer Focused Administration							628	–	–
3. Sound Municipal Financials							2 500	1 870	2 070
4. A Treasured, Protected Environment							1 850	3 552	2 555
5. Responsible Spatial And Development Management							396	1 500	–
6. Fostering Opportunity For Enterprise, Creativity And Business Development							–	–	–
7. Dignified Living							4 390	6 580	3 770
8. Efficient Infrastructure And Services							173 995	209 141	233 642
9. A Safe Town							1 985	500	500
Allocations to other priorities									
Total Capital Expenditure	–	–	–	–	–	–	185 744	223 143	242 537

References

- 1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
- 2. Goal code must be used on Table SA36

WC024 Stellenbosch - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Vote 1 - Municipal Manager										
Function 1 - Budget Performance	Amount spent (R)	3 933 831	374 005	49 854	60 000	60 000	60 000	0	0	0
Sub-function 1 - Capital Expenditure										
Insert measure/s description										
Sub-function 2 - Operational Expenditure	Amount spent (R)	14 548 155	13 285 070	18 307 474	18 438 165	21 853 165	21 853 165	16 821 138	17 423 595	18 144 241
Insert measure/s description										
Sub-function 3 - Operational Revenue	Amount collected(R)	0	247 368	694	800	800	800	840	880	940
Insert measure/s description										
Vote 2 - Planning and Development										
Function 1 - Budget Performance	Amount spent (R)	19 947 489	30 037 910	5 593 575	39 507 827	32 894 392	32 894 392	37 382 223	80 466 000	80 515 000
Sub-function 1 - Capital Expenditure										
Insert measure/s description										
Sub-function 2 - Operational Expenditure	Amount spent (R)	55 932 388	52 638 013	66 648 008	73 195 776	60 463 056	60 463 056	81 146 187	70 949 110	74 579 790
Insert measure/s description										
Sub-function 3 - Operational Revenue	Amount collected(R)	20 925 003	99 180 130	35 830 401	57 305 362	39 609 207	39 609 207	56 007 523	50 478 484	53 205 280
Insert measure/s description										
Vote 3 - Community Services										
Function 1 - Budget Performance	Amount spent (R)	-28 582 715	29 472 122	9 049 106	7 268 240	7 060 676	7 060 676	3 490 000	4 582 000	2 775 000
Sub-function 1 - Capital Expenditure										
Insert measure/s description										
Sub-function 2 - Operational Expenditure	Amount spent (R)	46 342 492	50 314 876	51 477 953	52 533 782	54 153 641	54 153 641	54 218 434	56 063 861	57 945 272
Insert measure/s description										
Sub-function 3 - Operational Revenue	Amount collected(R)	6 282 786	7 036 788	8 057 826	4 956 188	5 160 537	5 160 537	6 145 444	4 061 646	4 300 470
Insert measure/s description										
Vote 4 - Public Safety										
Function 1 - Budget Performance	Amount spent (R)	17 254 900	3 951 192	1 708 672	2 856 000	2 826 000	2 826 000	3 445 000	500 000	500 000
Sub-function 1 - Capital Expenditure										
Insert measure/s description										
Sub-function 2 - Operational Expenditure	Amount spent (R)	54 842 129	48 866 597	56 215 711	60 017 478	61 629 988	61 629 988	64 744 078	68 127 802	71 686 335
Insert measure/s description										
Sub-function 3 - Operational Revenue	Amount collected(R)	25 924 744	23 697 536	21 430 416	23 184 048	23 684 048	23 684 048	24 343 251	25 560 410	27 094 200
Insert measure/s description										
Vote 5 -Engineering Services										
Function 1 - Budget Performance	Amount spent (R)	1 521 184 363	81 805 758	94 675 603	146 348 973	164 237 489	164 237 489	138 891 468	135 725 000	156 677 050
Sub-function 1 - Capital Expenditure										
Insert measure/s description										
Sub-function 2 - Operational Expenditure	Amount spent (R)	273 954 057	489 041 053	436 819 352	522 234 874	523 872 324	523 872 324	571 488 905	621 197 593	676 374 760
Insert measure/s description										
Sub-function 3 - Operational Revenue	Amount collected(R)	342 949 259	434 062 482	514 972 440	526 012 770	542 313 764	542 313 764	599 921 037	645 797 990	710 205 289
Insert measure/s description										
Vote 6 - Strategic and Corporate Services										
Function 1 - Budget Performance	Amount spent (R)	9 349 432	277 537	507 677	455 000	455 000	455 000	135 000	0	0
Sub-function 1 - Capital Expenditure										
Insert measure/s description										
Sub-function 2 - Operational Expenditure	Amount spent (R)	41 652 819	24 573 904	30 629 830	47 768 091	48 592 736	48 592 736	42 328 308	44 832 717	46 158 688
Insert measure/s description										
Sub-function 3 - Operational Revenue	Amount collected(R)	1 145 077	2 262 148	1 588 494	3 752 115	4 133 040	4 133 040	1 130 586	1 187 116	1 258 360
Insert measure/s description										
Vote 7 - Financial Services										
Function 1 - Budget Performance	Amount spent (R)	9 661 297	2 621 699	1 633 242	2 570 000	2 570 000	2 570 000	2 400 000	1 870 000	2 070 000
Sub-function 1 - Capital Expenditure										
Insert measure/s description										
Sub-function 2 - Operational Expenditure	Amount spent (R)	84 085 131	21 831 086	67 846 570	68 613 055	68 914 865	68 914 865	57 629 866	61 450 067	62 462 187
Insert measure/s description										
Sub-function 3 - Operational Revenue	Amount collected(R)	177 493 642	216 759 938	228 524 498	240 934 537	244 934 537	244 934 537	244 256 245	257 980 865	272 795 839
Insert measure/s description										
And so on for the rest of the Votes										

WC024 Stellenbosch - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Borrowing Management</u>											
Credit Rating		A1									
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.4%	0.8%	0.9%	1.3%	1.3%	1.1%	1.1%	1.7%	1.7%	1.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.6%	0.8%	1.0%	1.5%	1.5%	1.3%	1.3%	1.9%	1.9%	2.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	13.1%	6.8%	33.2%	40.8%	40.8%	40.8%	23.2%	45.0%	40.9%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	1.2%	2.2%	2.3%	5.0%	5.5%	5.5%	5.5%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.9	2.1	2.5	3.3	3.4	3.4	3.4	–	–	–
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.9	2.1	2.5	3.3	3.4	3.4	3.4	–	–	–
Liquidity Ratio	Monetary Assets/Current Liabilities	1.3	1.5	1.8	2.3	2.4	2.4	2.4	–	–	–
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing %		100.1%	91.2%	96.8%	96.8%	96.8%	96.8%	101.6%	99.4%	97.8%
Cash receipts % of Ratepayer & Other revenue		97.9%	90.3%	93.9%	98.6%	98.7%	98.7%	98.7%	98.4%	95.7%	95.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15.3%	12.2%	14.3%	15.4%	15.5%	15.5%	15.5%	15.2%	16.3%	17.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))				95.0%	95.0%	95.0%	95.0%	97.0%	98.0%	100.0%
Creditors to Cash and Investments		29.3%	36.9%	30.8%	28.4%	26.8%	26.7%	26.7%	25.6%	25.2%	26.1%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated			6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source			16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
Employee costs	Employee costs/(Total Revenue - capital revenue)	33.3%	28.6%	28.5%	28.9%	29.0%	29.0%	29.0%	28.6%	28.2%	27.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.5%	28.2%	29.7%	30.2%	30.3%	30.3%	30.3%	30.1%	29.7%	29.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.6%	6.6%	6.2%	7.6%	7.2%	7.2%	7.2%	7.2%	7.5%	7.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.5%	16.7%	12.2%	14.8%	14.8%	14.8%	14.8%	14.6%	14.0%	13.4%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	22.6	25.5	26.6	27.2	27.2	27.2	26.5	26.7	26.3	28.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	19.0%	15.6%	16.9%	18.3%	18.2%	18.2%	18.2%	17.6%	18.4%	19.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	8.1	7.5	8.9	6.9	7.2	7.3	7.3	6.6	6.1	5.5

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

WC024 Stellenbosch - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population				118	201							
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment				9	16							
Monthly household income (no. of households)	1, 12											
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13						13145.00					
Insert description	2						2800.00					
Household/demographics (000)												
Number of people in municipal area				118 709	200 524							
Number of poor people in municipal area												
Number of households in municipal area				29 023	36 413		25					
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics	3											
Formal				24 350	33 209							
Informal				4 673	3 204							
Total number of households			-	29 023	36 413	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)									5.7%	5.9%	5.3%	4.9%
Interest rate - borrowing									10.5%	10.5%	10.5%	10.5%
Interest rate - investment									7.0%	7.5%	8.0%	8.0%
Remuneration increases									6.1%	5.0%	5.0%	5.0%
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges									97.0%	97.0%	97.0%	97.0%
Rental of facilities & equipment									83.0%	83.0%	83.0%	83.0%
Interest - external investments									100.0%	100.0%	100.0%	100.0%
Interest - debtors									97.0%	97.0%	97.0%	97.0%
Revenue from agency services									100.0%	100.0%	100.0%	100.0%

WC024 Stellenbosch Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	214 846	246 306	325 029	289 706	307 279	308 854	308 854	310 597	310 825	303 580
Cash + investments at the yr end less applications - R'000	18(1)b	2	282 045	358 792	472 031	467 843	485 473	485 473	485 473	495 718	510 808	523 351
Cash year end/monthly employee/supplier payments	18(1)b	3	8.1	7.5	8.9	6.9	7.2	7.3	7.3	6.6	6.1	5.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	35 260	105 518	62 729	43 264	50 275	50 275	50 275	73 946	76 155	93 268
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	26.3%	9.1%	(0.4%)	(2.1%)	(3.1%)	(3.1%)	6.0%	4.7%	3.5%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	97.9%	90.3%	93.9%	98.6%	98.7%	98.7%	99%	98.4%	95.7%	95.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.6%	2.7%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	8	6.8%	100.0%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	13.1%	6.4%	31.6%	38.8%	38.8%	38.8%	20.6%	44.6%	40.9%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.8%	101.0%	101.3%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	8.4%	24.1%	11.9%	0.0%	0.0%	0.0%	5.8%	14.1%	13.5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(42.7%)	59.5%	18.0%	0.0%	0.0%	0.0%	1.6%	0.7%	0.3%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.9%	1.8%	1.8%	2.2%	2.1%	2.1%	2.3%	2.2%	2.3%	2.4%
Asset renewal % of capital budget	20(1)(vi)	14	(0.2%)	0.0%	0.0%	38.3%	48.7%	48.7%	0.0%	21.3%	23.0%	25.0%

Explanatory Note:

Adjusted budget, full year forecast and pre-audit outcome information incorrect as the formula used does not refer to the correct cells. The formula could not be changed as the schedules are password protected.

See below the correctly calculated information.

Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	26.3%	9.1%	(0.4%)	0.7%	0.7%	0.7%	6.0%	4.7%	3.5%
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WC024 Stellenbosch - Supporting Table SA11 Property rates summary

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Valuation:	1				2008/07/01					
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2				Y					
Municipal/assistant valuer appointed? (Y/N)					Y					
Municipal partnership s38 used? (Y/N)					N					
No. of assistant valuers (FTE)	3				1					
No. of data collectors (FTE)	3				7					
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3				1					
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)					Y					
Implementation time of new valuation roll (mths)					18					
No. of properties	5				29 914					
No. of sectional title values	5				6 484					
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations					2					
No. of valuation roll amendments					16					
No. of objections by rate payers					16					
No. of appeals by rate payers					-					
No. of successful objections	8				10					
No. of successful objections > 10%	8				9					
Supplementary valuation										
Public service infrastructure value (Rm)	5				0					
Municipality owned property value (Rm)					0					
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)					7.40			7.40		
Valuation reductions-nature reserves/park (Rm)					22.50			22.50		
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)					331.70			331.70		
Valuation reductions-public worship (Rm)					281.30			281.30		
Valuation reductions-other (Rm)										
Total valuation reductions:		-	-	-	0	-	-	0	-	-
Total value used for rating (Rm)	5				41 485.50			41 485.50		
Total land value (Rm)	5				19 007.50			19 007.50		
Total value of improvements (Rm)	5				23 120.90			23 120.90		
Total market value (Rm)	5				42 128.40			42 128.40		
Rating:										
Residential rate used to determine rate for other categories? (Y/N)					Yes					
Differential rates used? (Y/N)	5				Yes					
Limit on annual rate increase (s20)? (Y/N)					Yes					
Special rating area used? (Y/N)					No					
Phasing-in properties s21 (number)					0					
Rates policy accompanying budget? (Y/N)					Yes					
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R '000)	6				211 049			223 427		
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)					882			934		
Rebates, exemptions - pensioners (R'000)					1 989			2 106		
Rebates, exemptions - bona fide farm. (R'000)					44			46		
Rebates, exemptions - other (R'000)					17 365			18 384		
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,eductns,discs (R'000)		-	-	-	20	-	-	21	-	-

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

WC024 Stellenbosch - Supporting Table SA12a Property rates by category (current year)[illegible]

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/Its	Public benefit organs.	Mining Props.
Current Year 2011/12																	
Valuation:																	
No. of properties		24 408	7	2 371	1 599	159	1 153	112								105	
No. of sectional title property values		5 592		892													
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations		2	2	2	2	2	2	2								2	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation (select)		1	1	1	1	1	1	1								1	
Frequency of valuation (select)		4	4	4	4	4	4									4	
Method of valuation used (select)		Market															
Base of valuation (select)		Land & impr.															
Phasing-in properties s21 (number)		0	0	0	0	0	0	0								0	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)					0.10	1.70	0.10	5.50									
Valuation reductions-nature reserves/park (Rm)				4.70	17.80												
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)		331.60															
Valuation reductions-public worship (Rm)		58.80		218.60	3.90												
Valuation reductions-other (Rm)	2																
Total valuation reductions:																	
Total value used for rating (Rm)	6	22 860.90	56.40	6 145.30	9 032.40	661.60	1 091.80	13.60								1 623.50	
Total land value (Rm)	6	8 995.80	15.10	1 728.20	6 876.70	271.10	806.50	14.40								299.70	
Total value of improvements (Rm)	6	14 255.50	41.30	4 640.40	2 177.60	392.30	285.40	4.70								1 323.80	
Total market value (Rm)	6	23 251.30	56.40	6 368.60	9 054.20	663.30	1 091.90	19.20								1 623.50	
Rating:																	
Average rate	3	0.004830	0.010100	0.010100	0.001268	0.008107	0.010100	0.001573								0.010100	
Rate revenue budget (R '000)		119 276.70	569.90	62 330.20	11 446.90	5 363.60	8 024.30	18.30								16 397.10	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																

WC024 Stellenbosch - Supporting Table SA13 Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
							Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Property rates (rate in the Rand)	1								
Residential properties							0.00505	0.00535	0.00566
Residential properties - vacant land							0.01010	0.01070	0.01133
Formal/informal settlements							n/a	n/a	n/a
Small holdings							depends business or residential		
Farm properties - used							0.00126	0.00133	0.00141
Farm properties - not used							0.00126	0.00133	0.00141
Industrial properties							0.01010	0.01070	0.01133
Business and commercial properties							0.01010	0.01070	0.01133
Communal land - residential							n/a	n/a	n/a
Communal land - small holdings							n/a	n/a	n/a
Communal land - farm property							n/a	n/a	n/a
Communal land - business and commercial							n/a	n/a	n/a
Communal land - other							n/a	n/a	n/a
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate						70 000	70 000	70 000	70 000
Indigent rebate or exemption							no rebate		
Pensioners/social grants rebate or exemption							depends on gross monthly household income		
Temporary relief rebate or exemption							n/a	n/a	n/a
Bona fide farmers rebate or exemption							n/a	n/a	n/a
List other rebates or exemptions									
[insert lines if necessary]									
Water tariffs									
Domestic									
Basic charge/fixd fee (Rands/month)						R 37.31	R 39.55	R 41.92	R 44.44
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/kl)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		0 kiloliters to 6 kiloliters				R 3.30	R 3.45	R 3.66	R 3.88
Water usage - Block 2 (c/kl)		7 kiloliters to 20 kiloliters				R 4.62	R 4.90	R 5.19	R 5.51
Water usage - Block 3 (c/kl)		21 kiloliters to 40 kiloliters				R 7.57	R 8.19	R 8.68	R 9.20
Water usage - Block 4 (c/kl)		41 kiloliters to 60 kiloliters				R 10.79	R 12.19	R 12.92	R 13.70
Water usage - Block 5 (c/kl)		61 kiloliters and above				R 14.54	R 16.42	R 17.41	R 18.45
Waste water tariffs									
Domestic									
Basic charge/fixd fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/kl)									
Size per erf in m² - Block 1 (c/kl)		0 - 250				R 734.21	R 803.93	R 880.30	R 963.93
Size per erf in m² - Block 2 (c/kl)		251 - 500				R 942.00	R 1 031.49	R 1 129.48	R 1 236.78
Size per erf in m² - Block 3 (c/kl)		501 - 600				R 1 061.19	R 1 162.00	R 1 272.39	R 1 393.27
Size per erf in m² - Block 4 (c/kl)		601 - 700				R 1 177.98	R 1 289.88	R 1 412.42	R 1 546.60
Size per erf in m² - Block 5 (c/kl)		701 - 800				R 1 295.94	R 1 419.06	R 1 553.87	R 1 701.49
Size per erf in m² - Block 6 (c/kl)		801 - 900				R 1 413.81	R 1 548.12	R 1 695.19	R 1 856.23
Size per erf in m² - Block 7 (c/kl)		901 - 1000				R 1 530.76	R 1 676.18	R 1 835.42	R 2 009.78
Size per erf in m² - Block 8 (c/kl)		Above - 1000				R 1 530.76	R 1 676.18	R 1 835.42	R 2 009.78
[insert extra blocks if necessary]									
Electricity tariffs									
Domestic									
Basic charge/fixd fee (Rands/month)		Only applicable on Regular				R 65.00	R 80.00	R 88.82	R 98.62
Service point - vacant land (Rands/month)									
FBE		Qualifying indigent customers receives the first 60 units free per month				60kWh	60kWh	60kWh	60kWh
Life-line tariff - meter		n/a							
Life-line tariff - prepaid		n/a							
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid(c/kwh)									
Regular - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)				63.00	69.50	77.17	85.68
Regular - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)				72.00	85.50	94.93	105.40
Regular - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)				98.00	115.50	128.24	142.38

Description	Ref	Provide description of tariff structure where appropriate	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
							Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Regular - IBT Block 4 (c/kwh) [insert extra blocks if necessary]		601 - 99999 kwh (c/kWh) (fill in thresholds)				114.00	132.50	147.11	163.34
Life Line Prepaid - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)				n/a	n/a	n/a	n/a
Life Line Prepaid - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)				72.00	103.50	114.92	127.59
Life Line Prepaid - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)				98.00	118.50	131.57	146.08
Life Line Prepaid - IBT Block 4 (c/kwh) [insert extra blocks if necessary]		601 - 99999 kwh (c/kWh) (fill in thresholds)				114.00	133.50	148.23	164.57
Regular Prepaid - IBT Block 1 (c/kwh)		0 - 50 kwh (c/kWh)				63.00	69.50	77.17	85.68
Regular Prepaid - IBT Block 2 (c/kwh)		51 - 350 kwh (c/kWh)				90.00	103.50	114.92	127.59
Regular Prepaid - IBT Block 3 (c/kwh)		351 - 600 kwh (c/kWh)				107.00	118.50	131.57	146.08
Regular Prepaid - IBT Block 4 (c/kwh) [insert extra blocks if necessary]		601 - 99999 kwh (c/kWh) (fill in thresholds)				118.00	133.50	148.23	164.57
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixed fee									
80l bin - once a week									
250l bin - once a week						R 81.16	R 88.06	R 95.63	R 103.28

References

1 If properties are not rated or zero rated this must be indicated as such

WC024 Stellenbosch - Supporting Table SA14 Household bills

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13 % incr.	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates				244.46	244.46	244.46	244.46	5.9%	258.81	274.08	290.25
Electricity: Basic levy				78.19	65.00	65.00	65.00	23.1%	80.00	88.82	98.62
Electricity: Consumption				865.40	948.50	948.50	948.50	16.2%	1 102.50	1 224.11	1 359.12
Water: Basic levy				33.75	37.31	37.31	37.31	6.0%	39.55	41.92	44.44
Water: Consumption				124.92	160.18	160.18	160.18	6.9%	171.20	181.47	192.36
Sanitation				116.50	98.16	98.16	98.16	9.5%	107.49	117.70	128.88
Refuse removal				73.78	81.16	81.16	81.16	8.5%	88.06	95.55	103.67
Other											
sub-total		-	-	1 537.00	1 634.77	1 634.77	1 634.77	13.0%	1 847.61	2 023.65	2 217.34
VAT on Services		-	-	180.96	194.64	194.64	194.64		222.43	244.94	269.79
Total large household bill:		-	-	1 717.95	1 829.41	1 829.41	1 829.41	13.2%	2 070.04	2 268.59	2 487.14
% increase/-decrease			-	-	6.5%	-	-		13.2%	9.6%	9.6%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates				164.96	164.96	164.96	164.96	5.9%	174.65	184.95	195.87
Electricity: Basic levy				78.19							
Electricity: Consumption				432.70	394.50	394.50	394.50	16.6%	460.00	510.74	567.07
Water: Basic levy				33.75	37.31	37.31	37.31	6.0%	39.55	41.92	44.44
Water: Consumption				103.02	122.33	122.33	122.33	6.5%	130.25	138.07	146.35
Sanitation				71.69	88.44	88.44	88.44	9.5%	96.84	106.04	116.11
Refuse removal				73.78	81.16	81.16	81.16	8.5%	88.06	95.55	103.67
Other											
sub-total		-	-	958.09	888.70	888.70	888.70	11.3%	989.35	1 077.27	1 173.51
VAT on Services		-	-	111.04	101.32	101.32	101.32		114.06	124.92	136.87
Total small household bill:		-	-	1 069.13	990.02	990.02	990.02	11.5%	1 103.41	1 202.19	1 310.38
% increase/-decrease			-	-	(7.4%)	-	-		11.5%	9.0%	9.0%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates				85.46	85.46	85.46	85.46	5.9%	90.48	95.82	101.47
Electricity: Basic levy				-	-	-	-		-	-	-
Electricity: Consumption				199.90	208.80	208.80	208.80	43.8%	300.15	333.26	370.01
Water: Basic levy				-	-	-	-		-	-	-
Water: Consumption				61.32	64.68	64.68	64.68	6.0%	68.56	72.67	77.03
Sanitation				-	-	-	-		-	-	-
Refuse removal				16.39	18.03	18.03	18.03	8.5%	19.56	21.22	23.03
Other											
sub-total		-	-	363.07	376.97	376.97	376.97	27.0%	478.75	522.97	571.55
VAT on Services		-	-	38.86	40.81	40.81	40.81		54.36	59.80	65.81
Total small household bill:		-	-	401.93	417.78	417.78	417.78	27.6%	533.11	582.77	637.36
% increase/-decrease			-	-	3.9%	-	-		27.6%	9.3%	9.4%

References

WC024 Stellenbosch - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		198 463	224 973	301 227	270 416	287 989	287 989	298 029	297 284	279 778
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	198 463	224 973	301 227	270 416	287 989	287 989	298 029	297 284	279 778
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		198 463	224 973	301 227	270 416	287 989	287 989	298 029	297 284	279 778

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	1	Yrs/Months								Rand thousand	
Parent municipality											
ASA112KG ABSA F/R 170512	4		Floating Rate Note	Yes	Variable interest rate	depends on Bps on initial investment			170512	5 000	11
ASA112MF ABSA F/R 220612	4		Floating Rate Note	Yes	Variable interest rate				220612	1 000	11
ASA112QC ABSA F/R 160812	4		Floating Rate Note	Yes	Variable interest rate				160812	1 000	2
ASA112QD ABSA F/R 160812	4		Floating Rate Note	Yes	Variable interest rate				160812	2 000	5
ASA112UD ABSA F/R 040912	4		Floating Rate Note	Yes	Variable interest rate				040912	4 000	56
ASA112UH ABSA F/R 120912	4		Floating Rate Note	Yes	Variable interest rate				120912	10 000	259
ASA112VD ABSA F/R 181012	4		Floating Rate Note	Yes	Variable interest rate				181012	2 200	15
ASA112XE ABSA F/R 011112	4		Floating Rate Note	Yes	Variable interest rate				011112	9 000	161
ASA113FD ABSA F/R 150113	4		Floating Rate Note	Yes	Variable interest rate				150113	9 000	96
ASA113GB ABSA F/R 140213	4		Floating Rate Note	Yes	Variable interest rate				140213	1 000	3
FSB112JF FirstRand F/R 12042012	4		Floating Rate Note	Yes	Variable interest rate				12042012	1 000	8
FSB112JH FirstRand F/R 12042012	4		Floating Rate Note	Yes	Variable interest rate				12042012	6 000	44
FSB112NP FirstRand F/R 120712	4		Floating Rate Note	Yes	Variable interest rate				120712	7 000	102
FSB112UI FirstRand F/R 060912	4		Floating Rate Note	Yes	Variable interest rate				060912	1 000	14
FSB112VB FirstRand F/R 05102012	4		Floating Rate Note	Yes	Variable interest rate				05102012	5 000	49
FSB112XB FirstRand F/R 081112	4		Floating Rate Note	Yes	Variable interest rate				081112	7 000	54
FSB112XJ FirstRand F/R 021112	4		Floating Rate Note	Yes	Variable interest rate				021112	2 000	9
FSB113FC FirstRand F/R 150113	4		Floating Rate Note	Yes	Variable interest rate				150113	6 000	44
FSB113FE FirstRand F/R 25012013	4		Floating Rate Note	Yes	Variable interest rate				25012013	2 000	11
FSB113GD FirstRand F/R 01022013	4		Floating Rate Note	Yes	Variable interest rate				01022013	1 000	4
FSB113GF FirstRand F/R 14022013	4		Floating Rate Note	Yes	Variable interest rate				14022013	20 000	49
FSB121 FirstRand NCD 6.275% 080612			Negotiable Certificates of Debt	Yes	Fixed interest rate				080612	9 000	412
FSB126 FirstRand NCD 6.325% 060712			Negotiable Certificates of Debt	Yes	Fixed interest rate				060712	5 000	205
FSB128 FirstRand NCD 6.275% 190712			Negotiable Certificates of Debt	Yes	Fixed interest rate				190712	3 000	116
FSB129 FirstRand NCD 6.15% 030812			Negotiable Certificates of Debt	Yes	Fixed interest rate				030812	7 000	247
NED112KC Nedbank F/R 170512	4		Floating Rate Note	Yes	Variable interest rate				170512	4 000	8
NED112NF Nedbank F/R 260712	4		Floating Rate Note	Yes	Variable interest rate				260712	1 000	6
NED112QC Nedbank F/R 020812	4		Floating Rate Note	Yes	Variable interest rate				020812	3 000	12
NED112U Nedbank F/R 110912	4		Floating Rate Note	Yes	Variable interest rate				110912	15 000	195
NED112VD Nedbank F/R 181012	4		Floating Rate Note	Yes	Variable interest rate				181012	3 000	21
NED112XA Nedbank F/R 051112	4		Floating Rate Note	Yes	Variable interest rate				051112	1 000	5
NED112XC Nedbank F/R 191112	4		Floating Rate Note	Yes	Variable interest rate				191112	19 000	23
NED112YB Nedbank F/R 201212	4		Floating Rate Note	Yes	Variable interest rate				201212	10 000	113
NED113FE Nedbank F/R 100113	4		Floating Rate Note	Yes	Variable interest rate				100113	3 000	24
NED113FG Nedbank F/R 150113	4		Floating Rate Note	Yes	Variable interest rate				150113	7 000	133
NED113FJ Nedbank F/R 17012013	4		Floating Rate Note	Yes	Variable interest rate				012013	12 000	83
NED131 Nedbank NCD 6.275% 26022013			Negotiable Certificates of Debt	Yes	Fixed interest rate				26022013	7 000	4
SDR112HC Standard Bank F/R 080312	4		Floating Rate Note	Yes	Variable interest rate				0		

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	1	Yrs/Months								Rand thousand	
Parent municipality											
ASA112KG ABSA F/R 170512	4		Floating Rate Note	Yes	Variable interest rate	depends on Bps on initial investment			170512	5 000	11
ASA112MF ABSA F/R 220612	4		Floating Rate Note	Yes	Variable interest rate				220612	1 000	11
ASA112QC ABSA F/R 160812	4		Floating Rate Note	Yes	Variable interest rate				160812	1 000	2
ASA112QD ABSA F/R 160812	4		Floating Rate Note	Yes	Variable interest rate				160812	2 000	5
ASA112UD ABSA F/R 040912	4		Floating Rate Note	Yes	Variable interest rate				040912	4 000	56
ASA112UH ABSA F/R 120912	4		Floating Rate Note	Yes	Variable interest rate				120912	10 000	259
ASA112VD ABSA F/R 181012	4		Floating Rate Note	Yes	Variable interest rate				181012	2 200	15
ASA112XE ABSA F/R 011112	4		Floating Rate Note	Yes	Variable interest rate				011112	9 000	161
ASA113FD ABSA F/R 150113	4		Floating Rate Note	Yes	Variable interest rate				150113	9 000	96
ASA113GB ABSA F/R 140213	4		Floating Rate Note	Yes	Variable interest rate				140213	1 000	3
FSB112JF FirstRand F/R 12042012	4		Floating Rate Note	Yes	Variable interest rate				12042012	1 000	8
FSB112JH FirstRand F/R 12042012	4		Floating Rate Note	Yes	Variable interest rate				12042012	6 000	44
FSB112NP FirstRand F/R 120712	4		Floating Rate Note	Yes	Variable interest rate				120712	7 000	102
FSB112UI FirstRand F/R 060912	4		Floating Rate Note	Yes	Variable interest rate				060912	1 000	14
FSB112VB FirstRand F/R 05102012	4		Floating Rate Note	Yes	Variable interest rate				05102012	5 000	49
FSB112XB FirstRand F/R 081112	4		Floating Rate Note	Yes	Variable interest rate				081112	7 000	54
FSB112XJ FirstRand F/R 021112	4		Floating Rate Note	Yes	Variable interest rate				021112	2 000	9
FSB113FC FirstRand F/R 150113	4		Floating Rate Note	Yes	Variable interest rate				150113	6 000	44
FSB113FE FirstRand F/R 25012013	4		Floating Rate Note	Yes	Variable interest rate				25012013	2 000	11
FSB113GD FirstRand F/R 01022013	4		Floating Rate Note	Yes	Variable interest rate				01022013	1 000	4
FSB113GF FirstRand F/R 14022013	4		Floating Rate Note	Yes	Variable interest rate				14022013	20 000	49
FSB121 FirstRand NCD 6.275% 080612			Negotiable Certificates of Debt	Yes	Fixed interest rate				080612	9 000	412
FSB126 FirstRand NCD 6.325% 060712			Negotiable Certificates of Debt	Yes	Fixed interest rate				060712	5 000	205
FSB128 FirstRand NCD 6.275% 190712			Negotiable Certificates of Debt	Yes	Fixed interest rate				190712	3 000	116
FSB129 FirstRand NCD 6.15% 030812			Negotiable Certificates of Debt	Yes	Fixed interest rate				030812	7 000	247
NED112KC Nedbank F/R 170512	4		Floating Rate Note	Yes	Variable interest rate				170512	4 000	8
NED112NF Nedbank F/R 260712	4		Floating Rate Note	Yes	Variable interest rate				260712	1 000	6
NED112QC Nedbank F/R 020812	4		Floating Rate Note	Yes	Variable interest rate				020812	3 000	12
NED112U Nedbank F/R 110912	4		Floating Rate Note	Yes	Variable interest rate				110912	15 000	195
NED112VD Nedbank F/R 181012	4		Floating Rate Note	Yes	Variable interest rate				181012	3 000	21
NED112XA Nedbank F/R 051112	4		Floating Rate Note	Yes	Variable interest rate				051112	1 000	5
NED112XC Nedbank F/R 191112	4		Floating Rate Note	Yes	Variable interest rate				191112	19 000	23
NED112YB Nedbank F/R 201212	4		Floating Rate Note	Yes	Variable interest rate				201212	10 000	113
NED113FE Nedbank F/R 100113	4		Floating Rate Note	Yes	Variable interest rate				100113	3 000	24
NED113FG Nedbank F/R 150113	4		Floating Rate Note	Yes	Variable interest rate			150113	7 000	133	
NED113FJ Nedbank F/R 17012013	4		Floating Rate Note	Yes	Variable interest rate			012013	12 000	83	
NED131 Nedbank NCD 6.275% 26022013			Negotiable Certificates of Debt	Yes	Fixed interest rate			26022013	7 000	4	
SDR112HC Standard Bank F/R 080312	4		Floating Rate Note	Yes	Variable interest rate			080312	1 000	13	
SDR112JD Standard Bank F/R 050412	4		Floating Rate Note	Yes	Variable interest rate			050412	3 000	25	
SDR112JE Standard Bank F/R 130412	4		Floating Rate Note	Yes	Variable interest rate			130412	14 000	101	
SDR112MB Standard Bank F/R 070612	4		Floating Rate Note	Yes	Variable interest rate			070612	5 000	64	
SDR112NK Standard Bank F/R 120712	4		Floating Rate Note	Yes	Variable interest rate			120712	7 000	50	
SDR112NL Standard Bank F/R 190712	4		Floating Rate Note	Yes	Variable interest rate			190712	15 000	91	
SDR112Q Standard Bank F/R 100812	4		Floating Rate Note	Yes	Variable interest rate			100812	12 000	43	
SDR112UD Standard Bank F/R 190912	4		Floating Rate Note	Yes	Variable interest rate			190912	800	9	
SDR112UF Standard Bank F/R 270912	4		Floating Rate Note	Yes	Variable interest rate			270912	1 000	10	
SDR113FE Standard Bank F/R 17012013	4		Floating Rate Note	Yes	Variable interest rate			17012013	12 000	83	
SDR113GF Standard Bank F/R 08022013	4		Floating Rate Note	Yes	Variable interest rate			08022013	4 000	14	
SDR113GK Standard Bank F/R 22022013	4		Floating Rate Note	Yes	Variable interest rate			22022013	5 000	6	
SDR113GL Standard Bank F/R 22022013	4		Floating Rate Note	Yes	Variable interest rate			22022013	5 761	5	
TRS00130 ABSA Call STBKON			Call	Yes						826	3
XNETCURCH Net Current Assets - Cash And Money market											
SUNAMT01 Sundry Amount (ZAR)										(0)	
Unrealised Profit/Loss			Accounting Fair Value	Yes						22	
New Republic Bank			Bank under Curatorship	No	Value after Impairment					420	
Management Fee							54273.4	lam Investment Management			
Performance Fee							31256.32	lam Investment Management			
Municipality sub-total										298 029	3 132
Entities											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST	1									298 029	3 132

WC024 Stellenbosch - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
<u>Parent municipality</u>										
Long-Term Loans (annuity/reducing balance)		29 908	39 801	41 542	88 520	97 094	97 094	117 158	182 288	242 461
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	29 908	39 801	41 542	88 520	97 094	97 094	117 158	182 288	242 461
<u>Entities</u>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	29 908	39 801	41 542	88 520	97 094	97 094	117 158	182 288	242 461

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total		1	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total		1	-	-	-	-	-	-	-	-
Total Unspent Borrowing		1	-	-	-	-	-	-	-	-

WC024 Stellenbosch - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		22 774	24 269	36 022	39 017	39 017	39 017	44 332	46 434	50 136
Local Government Equitable Share		22 124	22 964	34 272	36 977	36 977	36 977	41 241	44 284	47 736
Finance Management		250	919	1 000	1 250	1 250	1 250	1 250	1 250	1 450
Municipal Systems Improvement		400	386	750	790	790	790	800	900	950
EPWP Incentive						-	-	1 041		
						-	-			
						-	-			
Other transfers/grants [insert description]					-	-	-			
Provincial Government:		2 851	15 925	21 201	15 699	4 673	4 673	15 090	84	84
Sports and Recreation		574	593	1 077	1 015	1 015	1 015	1 246		
Housing			13 300	19 999	14 420	3 419	3 419	13 763		
					-	-	-			
					-	-	-			
Other Grants		2 277	2 032	125	264	238	238	81	84	84
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	25 625	40 194	57 223	54 716	43 690	43 690	59 422	46 518	50 220
Capital Transfers and Grants										
National Government:		30 520	16 731	11 523	20 955	20 955	20 955	25 420	26 815	28 365
Municipal Infrastructure (MIG)		11 770	14 753	11 523	20 955	20 955	20 955	25 420	26 815	28 365
Water Affairs		450	183		-	-	-			
Public Transport		18 300	-			-	-			
Other capital transfers [insert description]			1 796							
Provincial Government:		26 793	-	16 693	27 341	24 680	24 680	31 014	31 362	32 911
Housing & Integrated Transport Planning & NMT & Sport Grounds		26 793		16 693	27 341	24 680	24 680	31 014	31 362	32 911
District Municipality:		-	-	900	-	13 885	-	-	-	-
Reconstruction of Roads - CWDM				900		13 885	-			
Other grant providers:		-	-	-	-	5 000	5 000	13 800	10 000	20 000
Integrated National Electrification Programme								800		
Electricity Demand Side Management								8 000		
Regional Bulk Infrastructure Grant						5 000	5 000	5 000	10 000	20 000
Total Capital Transfers and Grants	5	57 313	16 731	29 116	48 296	64 520	50 635	70 234	68 177	81 276
TOTAL RECEIPTS OF TRANSFERS & GRANTS		82 938	56 926	86 339	103 013	108 209	94 325	129 656	114 695	131 496

WC024 Stellenbosch - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		443	1 727	2 594	1 275	1 275	1 275	8 377	5 623	4 524
Current year receipts		24 683	27 466	35 958	39 017	39 017	39 017	44 332	46 434	50 136
Conditions met - transferred to revenue		23 399	26 560	37 277	31 915	31 915	31 915	47 086	47 533	50 674
Conditions still to be met - transferred to liabilities		1 727	2 633	1 275	8 377	8 377	8 377	5 623	4 524	3 986
Provincial Government:										
Balance unspent at beginning of the year		680	675	399	3 302	3 302	3 302	3 000	2 456	2 356
Current year receipts		694	913	21 201	15 699	4 673	4 673	15 090	84	84
Conditions met - transferred to revenue		699	1 189	18 298	17 204	4 975	4 975	15 635	184	184
Conditions still to be met - transferred to liabilities		675	399	3 302	1 797	3 000	3 000	2 456	2 356	2 256
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		2 633	2 334	1 729	1 026	1 026	1 026	2 189	-	1 250
Current year receipts		232	1 223	809	1 404	1 404	1 404	5 600	1 250	1 000
Conditions met - transferred to revenue		531	1 867	1 512	241	241	241	7 789	-	-
Conditions still to be met - transferred to liabilities		2 334	1 690	1 026	2 189	2 189	2 189		1 250	2 250
Total operating transfers and grants revenue		24 629	29 616	57 088	49 360	37 131	37 131	70 510	47 717	50 858
Total operating transfers and grants - CTBM	2	4 736	4 722	5 604	12 364	13 567	13 567	8 079	8 130	8 492
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		25 794	32 157	16 816	1 891	1 891	1 891	5 986		
Current year receipts		20 593	22 787	11 523	20 955	25 955	25 955	25 420	26 815	28 365
Conditions met - transferred to revenue		14 230	38 128	26 449	16 860	21 860	21 860	31 406	26 815	28 365
Conditions still to be met - transferred to liabilities		32 157	16 816	1 891	5 986	5 986	5 986			
Provincial Government:										
Balance unspent at beginning of the year		17 979	22 413	13 993	18 844	18 844	18 844	4 513	-	-
Current year receipts		14 766	536	18 250	29 000	24 680	24 680	31 014	31 362	32 911
Conditions met - transferred to revenue		10 331	8 956	13 399	43 331	39 011	39 011	35 527	31 362	32 911
Conditions still to be met - transferred to liabilities		22 413	13 993	18 844	4 513	4 513	4 513			
District Municipality:										
Balance unspent at beginning of the year				2 000						
Current year receipts			2 000	900	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	2 900	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities			2 000							
Other grant providers:										
Balance unspent at beginning of the year		23 223	22 574	21 079	5 698	5 698	5 698	2 189	1 259	1 126
Current year receipts		3 379	16 082	9 519	3 570	3 570	3 570	13 800	10 000	20 000
Conditions met - transferred to revenue		10 919	11 024	24 900	7 079	7 079	7 079	14 730	10 133	20 158
Conditions still to be met - transferred to liabilities		15 682	27 632	5 698	2 189	2 189	2 189	1 259	1 126	968
Total capital transfers and grants revenue		35 480	58 108	67 648	67 270	67 949	67 949	81 663	68 310	81 434
Total capital transfers and grants - CTBM	2	70 253	60 441	26 433	12 689	12 689	12 689	1 259	1 126	968
TOTAL TRANSFERS AND GRANTS REVENUE		60 109	87 724	124 735	116 630	105 080	105 080	152 173	116 028	132 292
TOTAL TRANSFERS AND GRANTS - CTBM		74 989	65 163	32 037	25 052	26 255	26 255	9 338	9 256	9 460

WC024 Stellenbosch - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2010/11			Current Year 2011/12			Budget Year 2012/13		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			37	37		43	43		43	43	
Board Members of municipal entities	4										
Municipal employees											
Municipal Manager and Senior Managers	5										
Other Managers	3		7	7		7	6		7	7	
Professionals	7		18	18		18	16		18	18	
Finance			103	92	–	103	99	–	103	103	–
Spatial/town planning			26	25		26	24		26	26	
Information Technology			10	7		10	8		10	10	
Roads			7	7		7	7		7	7	
Electricity			5	2		5	5		5	5	
Water			2	1		2	2		2	2	
Sanitation			2	1		2	2		2	2	
Refuse			1	1		1	1		1	1	
Other			4	2		4	4		4	4	
Technicians			46	46		46	46		46	46	
Finance			74	68	–	74	72	–	74	74	–
Spatial/town planning			–	–		–	–		–	–	
Information Technology			–	–		–	–		–	–	
Roads			–	–		–	–		–	–	
Electricity			8	6		8	8		8	8	
Water			28	26		28	28		28	28	
Sanitation			17	15		17	15		17	17	
Refuse			5	5		5	5		5	5	
Other			1	1		1	1		1	1	
Clerks (Clerical and administrative)			15	15		15	15		15	15	
Service and sales workers			227	219		227	227		227	227	
Skilled agricultural and fishery workers			118	115		118	118		118	118	
Craft and related trades			–	–		–	–		–	–	
Plant and Machine Operators			–	–		–	–		–	–	
Elementary Occupations			58	56		58	56		58	58	
			481	472		481	481		481	481	
TOTAL PERSONNEL NUMBERS			1 123	1 084	–	1 129	1 118	–	1 129	1 129	–
% increase						0.5%	3.1%	–	–	1.0%	–
Total municipal employees headcount	6		1 123	1 084		1 129	1 118		1 129	1 129	
Finance personnel headcount	8		105	96		105	98		105	105	
Human Resources personnel headcount	8		12	12		12	12		12	12	

WC024 Stellenbosch - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote																
Vote 1 - MUNICIPAL MANAGER'S OFFICE		—	—	0	—	1	0	—	—	—	—	—	0	1	1	1
Vote 2 - PLANNING AND DEVELOPMENT		1 361	1 606	3 903	4 040	3 959	3 717	3 743	3 851	3 683	3 798	3 846	18 500	56 008	50 478	53 205
Vote 3 - COMMUNITY SERVICES		824	317	291	720	329	385	697	261	625	875	399	421	6 145	4 062	4 300
Vote 4 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 5 - CIVIL ENGINEERING SERVICES		94 585	40 122	46 215	42 031	39 486	33 484	41 936	39 076	42 084	35 221	41 935	103 746	599 921	645 798	710 205
Vote 6 - PUBLIC SAFETY		1 692	1 851	1 742	2 181	2 106	2 153	1 528	2 556	2 802	2 004	2 239	1 490	24 343	25 560	27 094
Vote 7 - CORPORATE SERVICES		21	144	21	21	21	21	21	23	21	21	21	779	1 131	1 187	1 258
Vote 8 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 9 - FINANCIAL SERVICES		208 982	2 548	840	1 762	1 362	15 158	9 015	1 599	11 874	(91)	2 882	(11 675)	244 256	257 981	272 796
Vote 10 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 11 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 12 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 13 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 14 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 15 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue by Vote		307 465	46 588	53 011	50 756	47 264	54 917	56 940	47 366	61 087	41 828	51 321	113 261	931 805	985 067	1 068 860
Expenditure by Vote to be appropriated																
Vote 1 - MUNICIPAL MANAGER'S OFFICE		658	703	1 520	1 605	4 334	1 828	2 111	1 512	996	1 053	1 100	(600)	16 821	17 424	18 144
Vote 2 - PLANNING AND DEVELOPMENT		2 735	2 729	4 768	3 128	4 679	12 312	8 928	5 625	12 589	10 432	4 904	8 318	81 146	70 949	74 580
Vote 3 - COMMUNITY SERVICES		2 808	3 122	4 774	3 693	5 319	6 471	4 594	4 210	3 604	4 007	3 488	8 128	54 218	56 064	57 945
Vote 4 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 5 - CIVIL ENGINEERING SERVICES		7 927	40 587	49 235	30 861	33 527	79 550	34 184	37 390	31 731	40 592	33 624	152 280	571 489	621 198	676 375
Vote 6 - PUBLIC SAFETY		3 647	4 080	7 675	4 993	6 866	7 248	6 147	5 945	5 121	4 918	6 430	1 674	64 744	68 128	71 686
Vote 7 - CORPORATE SERVICES		3 827	3 900	6 786	3 080	5 885	4 508	5 252	3 939	10 970	10 441	3 315	(19 574)	42 328	44 833	46 159
Vote 8 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 9 - FINANCIAL SERVICES		10 772	4 444	5 550	4 305	6 222	5 386	5 847	5 035	7 972	4 123	4 315	(6 341)	57 630	61 450	62 462
Vote 10 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 11 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 12 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 13 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 14 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 15 - 0		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure by Vote		32 375	59 564	80 309	51 664	66 832	117 304	67 063	63 656	72 981	75 566	57 178	143 884	888 377	940 045	1 007 351
Surplus/(Deficit) before assoc.		275 090	(12 976)	(27 298)	(908)	(19 568)	(62 386)	(10 123)	(16 290)	(11 894)	(33 739)	(5 856)	(30 623)	43 428	45 023	61 509
Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	275 090	(12 976)	(27 298)	(908)	(19 568)	(62 386)	(10 123)	(16 290)	(11 894)	(33 739)	(5 856)	(30 623)	43 428	45 023	61 509

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

WC024 Stellenbosch - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard																
Governance and administration		209 392	3 081	1 250	2 172	1 772	15 568	9 425	2 009	12 284	319	408	(7 623)	250 059	264 073	279 254
Executive and council		2	2	2	2	2	2	2	2	2	2	(2 882)	2 885	20	21	22
Budget and treasury office		208 982	2 548	840	1 762	1 362	15 158	9 015	1 599	11 874	(91)	2 882	(11 682)	244 249	257 973	272 787
Corporate services		408	532	408	408	409	408	408	408	408	408	408	1 174	5 790	6 079	6 444
Community and public safety		2 844	2 368	4 750	5 447	5 044	5 178	5 005	5 473	5 183	5 005	5 064	18 854	70 214	63 540	67 043
Community and social services		660	154	120	542	101	115	482	92	112	68	99	140	2 684	1 512	1 603
Sport and recreation		121	120	128	135	144	159	128	126	205	129	123	142	1 660	1 206	1 278
Public safety		1 247	1 281	1 316	1 625	1 617	1 722	1 258	2 117	1 727	1 641	1 707	736	17 991	18 891	20 024
Housing		816	813	3 186	3 146	3 182	3 182	3 137	3 138	3 140	3 166	3 136	17 836	47 879	41 931	44 138
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		603	1 007	772	1 082	891	581	548	779	1 253	629	852	4 173	13 171	13 702	12 129
Planning and development		155	403	327	505	388	146	260	325	154	243	320	312	3 539	3 727	3 952
Road transport		448	603	445	577	503	436	288	453	1 099	386	532	3 861	9 632	9 975	8 176
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		94 609	40 116	46 215	42 027	39 494	33 505	41 950	39 091	42 090	35 230	41 962	100 665	596 955	642 275	708 868
Electricity		18 409	33 717	34 312	33 184	31 769	25 128	30 397	29 828	30 710	24 340	34 115	49 948	375 856	408 366	445 027
Water		3 097	4 522	6 831	5 796	6 073	6 350	7 834	7 760	8 402	9 422	6 484	15 743	88 312	105 182	96 213
Waste water management		40 023	1 743	3 560	2 273	1 523	1 802	2 539	1 353	2 324	1 328	1 295	33 577	93 341	81 487	116 779
Waste management		33 080	135	1 512	775	128	227	1 180	150	655	140	68	1 396	39 445	47 239	50 850
Other		17	16	24	27	62	85	12	15	277	646	151	77	1 407	1 477	1 566
Total Revenue - Standard		307 465	46 588	53 011	50 756	47 264	54 917	56 940	47 366	61 087	41 828	48 438	116 145	931 805	985 067	1 068 860
Expenditure - Standard																
Governance and administration		16 799	10 793	16 911	11 003	19 426	18 902	17 597	13 823	22 485	19 464	11 518	(25 876)	152 846	162 066	167 223
Executive and council		2 401	2 593	4 635	1 396	4 616	3 051	4 418	2 923	9 087	8 925	1 356	(8 233)	37 167	40 168	41 331
Budget and treasury office		10 409	3 940	4 394	5 083	6 817	4 696	6 338	4 202	6 861	3 796	3 799	(4 578)	55 758	58 840	59 539
Corporate services		3 989	4 259	7 882	4 524	7 993	11 156	6 841	6 699	6 537	6 744	6 363	(13 064)	59 921	63 057	66 353
Community and public safety		5 376	5 873	11 018	7 437	10 241	14 115	13 505	9 535	15 722	12 540	9 123	19 361	133 846	124 927	130 399
Community and social services		1 274	1 310	2 001	1 523	1 904	1 807	1 544	1 798	1 212	1 463	1 350	2 613	19 798	19 507	20 513
Sport and recreation		822	1 005	1 780	1 500	2 322	3 473	2 092	1 598	1 450	1 649	1 502	3 696	22 888	24 095	24 235
Public safety		2 578	2 928	6 112	3 652	4 858	5 449	4 750	4 174	3 802	3 558	4 864	5 382	52 105	54 853	57 869
Housing		703	630	1 125	762	1 157	3 313	5 107	1 954	9 246	5 859	1 395	7 657	38 908	26 323	27 630
Health		—	—	—	—	—	73	12	12	12	12	12	12	146	149	152
Economic and environmental services		2 849	2 789	4 103	3 540	5 138	21 061	5 825	6 147	6 101	6 460	6 716	2 715	73 444	76 174	78 918
Planning and development		1 746	1 617	2 289	1 811	2 654	3 878	2 040	2 258	2 168	2 187	2 301	(3 111)	21 837	22 707	23 617
Road transport		991	985	1 573	1 519	2 224	17 050	3 663	3 774	3 815	4 049	4 292	5 647	49 581	51 330	53 044
Environmental protection		112	187	241	210	260	133	121	116	118	224	124	179	2 025	2 137	2 258
Trading services		7 276	40 058	48 172	29 611	31 850	61 858	29 798	33 961	28 280	36 703	29 476	146 800	523 842	572 374	626 207
Electricity		1 376	34 382	39 413	20 763	21 336	37 165	20 229	23 339	17 604	24 245	19 288	90 526	349 667	387 449	430 462
Water		1 738	1 649	2 508	4 092	4 040	11 412	3 418	4 405	4 663	5 340	4 542	24 496	72 302	76 252	80 455
Waste water management		2 360	2 348	3 902	3 169	4 189	9 843	3 921	4 904	4 040	5 151	4 005	19 715	66 697	70 946	75 403
Waste management		1 801	1 678	2 350	1 587	2 284	3 438	2 230	2 164	1 973	1 967	1 642	12 063	35 176	37 726	39 886
Other		75	52	105	72	178	1 368	339	189	395	399	344	884	4 399	4 505	4 604
Total Expenditure - Standard		32 375	59 564	80 309	51 664	66 832	117 304	67 063	63 656	72 981	75 566	57 178	143 884	888 377	940 045	1 007 351
Surplus/(Deficit) before assoc.		275 090	(12 976)	(27 298)	(908)	(19 568)	(62 386)	(10 123)	(16 290)	(11 894)	(33 739)	(8 740)	(27 739)	43 428	45 023	61 509
Share of surplus/ (deficit) of associate													—	—	—	—
Surplus/(Deficit)	1	275 090	(12 976)	(27 298)	(908)	(19 568)	(62 386)	(10 123)	(16 290)	(11 894)	(33 739)	(8 740)	(27 739)	43 428	45 023	61 509

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

WC024 Stellenbosch - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT		1 537	1 599	1 399	1 399	1 399	1 399	1 399	1 399	1 399	1 399	3 081	100	17 506	68 267	72 515
Vote 3 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - CIVIL ENGINEERING SERVICES		27 440	1 020	1 626	2 600	2 870	4 586	1 000	3 438	14 962	4 100	22 047	8 414	94 101	76 561	73 000
Vote 6 - PUBLIC SAFETY		-	10	240	320	310	160	270	330	370	50	-	-	2 060	500	500
Vote 7 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - FINANCIAL SERVICES		-	-	-	-	-	200	-	-	-	-	-	-	200	-	-
Vote 10 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	28 977	2 629	3 264	4 319	4 579	6 344	2 669	5 167	16 730	5 549	25 128	8 514	113 867	145 328	146 015
Single-year expenditure to be appropriated																
Vote 1 - MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT		1 418	1 418	1 418	1 418	1 418	1 688	1 718	1 718	1 418	1 418	4 823	-	19 877	12 199	8 000
Vote 3 - COMMUNITY SERVICES		3 152	7	7	142	67	7	7	37	7	47	7	7	3 490	4 582	2 775
Vote 4 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - CIVIL ENGINEERING SERVICES		5 995	3 450	1 350	3 819	2 236	2 304	835	2 215	905	2 591	6 385	12 705	44 790	59 164	83 677
Vote 6 - PUBLIC SAFETY		35	58	20	172	505	215	30	130	120	100	-	-	1 385	-	-
Vote 7 - CORPORATE SERVICES		-	135	-	-	-	-	-	-	-	-	-	-	135	-	-
Vote 8 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - FINANCIAL SERVICES		-	-	-	-	270	850	-	230	850	-	-	-	2 200	1 870	2 070
Vote 10 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	10 600	5 068	2 795	5 551	4 496	5 064	2 590	4 330	3 300	4 156	11 214	12 712	71 877	77 815	96 522
Total Capital Expenditure	2	39 577	7 697	6 059	9 870	9 074	11 408	5 259	9 497	20 030	9 705	36 342	21 225	185 744	223 143	242 537

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

WC024 Stellenbosch - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		900	1 055	1 000	1 260	1 250	2 320	1 600	1 780	2 410	1 310	200	820	15 905	51 520	51 720
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Budget and treasury office		–	–	–	–	270	200	–	80	–	–	–	–	550	70	70
Corporate services		900	1 055	1 000	1 260	980	2 120	1 600	1 700	2 410	1 310	200	820	15 355	51 450	51 650
<i>Community and public safety</i>		5 039	2 148	2 060	2 092	2 665	2 175	2 100	2 140	2 190	2 090	7 910	107	32 718	38 788	36 240
Community and social services		800	–	–	–	30	–	–	30	–	40	–	–	900	790	–
Sport and recreation		2 172	7	7	7	7	7	7	7	7	7	7	7	2 245	3 032	2 225
Public safety		35	48	160	192	735	275	200	210	290	150	–	–	2 295	500	500
Housing		2 032	2 094	1 894	1 894	1 894	1 894	1 894	1 894	1 894	1 894	7 904	100	27 278	34 466	33 515
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		2 693	1 623	1 023	3 333	2 098	2 473	373	2 092	573	223	2 346	1 600	20 453	22 801	22 425
Planning and development		23	23	23	23	23	23	23	23	23	23	–	–	234	–	–
Road transport		2 490	1 600	1 000	3 175	2 075	2 450	350	2 068	550	200	2 346	1 600	19 904	22 091	21 925
Environmental protection		180	–	–	135	–	–	–	–	–	–	–	–	315	710	500
<i>Trading services</i>		30 945	2 870	1 976	3 184	3 031	4 440	1 185	3 485	14 857	6 081	25 886	18 699	116 637	109 984	132 102
Electricity		1 835	1 870	1 076	2 099	1 881	2 905	535	1 615	921	971	16 196	8 754	40 656	17 994	16 357
Water		2 630	500	300	350	200	300	400	900	1 450	2 410	6 665	8 185	24 290	55 340	84 195
Waste water management		24 480	500	600	600	600	1 235	250	150	8 886	2 700	3 025	1 760	44 786	30 800	25 700
Waste management		2 000	–	–	135	350	–	–	820	3 600	–	–	–	6 905	5 850	5 850
<i>Other</i>		–	–	–	–	30	–	–	–	–	–	–	–	30	50	50
Total Capital Expenditure - Standard	2	39 577	7 697	6 059	9 870	9 074	11 408	5 259	9 497	20 030	9 705	36 342	21 225	185 744	223 143	242 537

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

WC024 Stellenbosch - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source													1		
Property rates	196 040	(361)	(631)	(1)	(353)	1 219	20	(27)	(147)	(753)	2 351	(266)	197 092	208 176	219 881
Property rates - penalties & collection charges	198	202	219	229	161	215	211	214	215	217	217	170	2 469	2 592	2 748
Service charges - electricity revenue	18 318	33 640	34 257	33 109	31 727	25 071	30 277	29 820	30 618	24 319	34 019	30 421	355 594	394 827	430 311
Service charges - water revenue	2 919	4 358	5 585	5 262	5 947	6 189	6 967	7 611	7 702	9 250	6 315	6 395	74 501	79 183	83 961
Service charges - sanitation revenue	39 725	1 434	1 037	862	1 215	1 497	423	1 043	889	1 004	927	(320)	49 736	54 427	59 598
Service charges - refuse revenue	32 917	(11)	2	(1)	(36)	82	12	2	–	(18)	(16)	(987)	31 946	34 660	37 606
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	1 195	996	996	996	996	996	996	996	996	996	996	530	11 688	12 341	13 081
Interest earned - external investments	–	1 565	1 206	1 136	1 236	1 971	1 434	1 192	2 216	339	268	7 144	19 707	20 890	22 143
Interest earned - outstanding debtors	326	333	325	673	504	475	523	507	315	382	280	174	4 816	5 093	5 398
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	1 203	1 221	1 269	1 554	1 545	1 696	1 220	1 877	1 676	1 625	1 739	674	17 299	18 165	19 255
Licences and permits	16	(88)	10	(62)	22	(8)	137	(967)	52	3	(91)	5 685	4 709	4 947	5 244
Agency services	49	116	76	112	81	64	–	129	240	21	104	181	1 172	1 231	1 305
Transfer receipts - operational	13 291	1 280	4 759	2 567	87	11 635	11 174	87	11 761	87	87	3 683	60 499	47 651	51 421
Other revenue	640	931	5 354	3 090	934	649	4 096	833	3 345	1 219	913	(10 033)	11 971	12 608	13 372
Cash Receipts by Source	306 836	45 616	54 465	49 528	44 065	51 751	57 489	43 317	59 880	38 691	48 109	43 452	843 200	896 790	965 323
Other Cash Flows by Source															
Transfer receipts - capital	250	250	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	2 626	46 102	70 234	68 177	81 780
Contributions recognised - capital & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	23 777	23 777	69 142	65 700
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	324	324	324	324
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	307 086	45 866	57 090	52 154	46 691	54 377	60 115	45 943	62 506	41 317	50 735	113 655	937 535	1 034 433	1 113 127
Cash Payments by Type															
Employee related costs	17 802	17 215	22 367	19 426	28 711	19 601	20 029	19 561	17 711	17 833	18 078	27 879	246 214	251 789	264 584
Remuneration of councillors	798	1 233	1 263	1 247	1 245	1 249	1 703	1 561	600	577	373	1 013	12 862	13 505	14 180
Finance charges	–	–	–	–	–	1 697	–	–	–	–	–	9 842	11 538	12 231	13 811
Bulk purchases - Electricity	–	33 103	35 667	20 153	18 733	19 962	15 373	19 001	20 291	13 955	17 802	23 975	238 016	270 148	306 618
Bulk purchases - Water & Sewer	–	–	–	–	2 063	1 084	3 003	–	1 371	1 467	1 241	3 859	14 087	14 973	16 009
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–	–	12 076	12 076	13 154	14 029
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	–	–	–	–	–	–	142	8	–	–	–	25 866	26 016	27 453	29 031
Other expenditure	–	21	21	–	40	24	18	22	3	–	8	198 742	198 899	205 018	206 658
Cash Payments by Type	18 600	51 573	59 318	40 826	50 792	43 616	40 269	40 153	39 975	33 832	37 502	303 252	759 708	808 271	864 922
Other Cash Flows/Payments by Type															
Capital assets	39 577	7 697	6 059	9 870	9 074	11 408	5 259	9 497	20 030	9 705	36 342	21 225	185 744	223 143	242 537
Repayment of borrowing	–	–	–	–	–	1 649	–	–	–	–	–	1 649	3 298	4 012	5 527
Other Cash Flows/Payments	–	–	–	–	–	6 985	–	–	–	–	–	(19 943)	(12 958)	(1 222)	7 386
Total Cash Payments by Type	58 177	59 269	65 377	50 696	59 866	63 659	45 528	49 650	60 005	43 536	73 845	306 183	935 792	1 034 205	1 120 372
NET INCREASE/(DECREASE) IN CASH HELD	248 909	(13 403)	(8 287)	1 458	(13 174)	(9 281)	14 587	(3 707)	2 501	(2 220)	(23 110)	(192 528)	1 743	228	(7 245)
Cash/cash equivalents at the month/year begin:	308 854	557 763	544 359	536 072	537 530	524 356	515 074	529 662	525 954	528 455	526 235	503 125	308 854	310 597	310 825
Cash/cash equivalents at the month/year end:	557 763	544 359	536 072	537 530	524 356	515 074	529 662	525 954	528 455	526 235	503 125	310 597	310 597	310 825	303 580

WC024 Stellenbosch - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Steiner	Yrs	Ongoing	Hygiene Services	N/A	22
Sanitech Hygiene Services	Yrs	Ongoing	Hygiene Services	N/A	9
Bytes - SAMRAS	Yrs	Ongoing	Financial System Service Provider	N/A	1 175
Business Engineering - Collaborator	Yrs	Ongoing	Financial System Service Provider	N/A	137
Kirfane Investments	Yrs	6	Leasing of Office Space	30 August 2013	53
Ace Parking Services	Yrs	3	Parking	31 March 2012	546
CAB Holdings	Yrs	3	Printing of Municipal Accounts	30 June 2013	1 200
AON	Yrs	3	Insurance	30 June 2012	2 364
Geodebt Solutions	Yrs	Ongoing	Credit Control and Debt Collection	N/A	152
CSIR - Water Quality Analysis	Yrs		Water Quality Analysis		
Shlinder Lifts	Yrs	Ongoing	Lifts various municipal buildings	N/A	567
Dreyer Cleaning Solutions	Yrs	Ongoing	Cleaning of Stellenbosch CBD	N/A	804
Sindele Cleaning	Yrs	Ongoing	Cleaning of Stellenbosch CBD	N/A	572
ITRON	Yrs	years and 6 months	Vending System	30 June 2013	6 000
Payday	Yrs	Ongoing	Payroll System	N/A	247

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand	1										
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure	2	1 506 819	59 740	85 159	67 750	56 721	56 721	92 229	77 562	90 370	
Infrastructure - Road transport		627 463	17 784	27 102	6 120	12 520	12 520	10 758	14 315	12 825	
Roads, Pavements & Bridges		620 583	16 476	26 743	4 320	10 720	10 720	10 758	14 315	12 825	
Storm water		6 880	1 308	359	1 800	1 800	1 800	-	-	-	
Infrastructure - Electricity		332 866	14 511	2 960	17 207	4 593	4 593	20 900	4 250	4 250	
Generation		(56 309)	-	-	-	-	-	-	-	-	
Transmission & Reticulation		186 950	13 235	2 960	17 052	4 438	4 438	20 900	4 250	4 250	
Street Lighting		202 225	1 276	-	155	155	155	-	-	-	
Infrastructure - Water		422 705	6 592	29 436	16 150	18 035	18 035	51 951	51 840	38 130	
Dams & Reservoirs		106 855	-	168	8 450	8 885	8 885	350	1 400	1 900	
Water purification		-	-	-	-	-	-	-	-	-	
Reticulation		315 850	6 592	29 268	7 700	9 150	9 150	51 601	50 440	36 230	
Infrastructure - Sanitation		101 282	12 814	8 148	1 078	1 578	1 578	4 780	7 100	35 165	
Reticulation		(55 911)	12 213	7 651	1 078	1 578	1 578	4 780	5 500	23 200	
Sewerage purification		157 192	602	498	-	-	-	-	1 600	11 965	
Infrastructure - Other		22 504	8 038	17 512	27 195	19 995	19 995	3 840	57	-	
Waste Management		(618)	2 768	8 962	22 570	15 370	15 370	1 950	-	-	
Transportation		1 229	2 392	6 253	4 625	4 625	4 625	-	-	-	
Gas		(18)	-	-	-	-	-	-	-	-	
Other		21 911	2 878	2 297	-	-	-	1 890	57	-	
Community			(313 692)	74 515	11 057	39 551	35 295	35 295	13 455	53 845	50 135
Parks & gardens			(12 907)	1 496	1 165	2 610	2 227	2 227	705	2 965	2 435
Sportsfields & stadia			(20 667)	35 035	7 061	3 295	6 186	6 186	-	-	-
Swimming pools			(463)	30	-	-	-	450	50	-	-
Community halls			(7 471)	-	73	90	90	90	-	-	-
Libraries			(491)	-	163	568	568	568	-	-	-
Recreational facilities			(1 456)	292	466	-	-	400	500	600	-
Fire, safety & emergency		(1 281)	197	4	720	720	720	-	-	-	
Security and policing		-	-	-	500	500	500	-	-	-	
Buses		(291)	-	-	-	-	-	-	-	-	
Clinics		(4 553)	-	-	-	-	-	-	-	-	
Museums & Art Galleries		(718)	-	-	-	-	-	-	-	-	
Cemeteries		(2 072)	216	358	576	576	576	-	-	-	
Social rental housing		(102 547)	199	942	31 043	24 279	24 279	4 808	6 167	8 485	
Other		(158 775)	37 051	825	150	150	150	7 092	44 163	38 615	
Heritage assets		-	-	-	-	-	-	-	-	-	
Buildings		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	
Housing development		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Other assets		570 533	16 733	15 875	14 713	14 833	14 833	40 335	37 837	41 332	
General vehicles		10 755	6 113	3 145	26	26	26	5 040	2 850	2 800	
Specialised vehicles		(4 849)	3 016	3 623	4 400	4 700	4 700	2 000	5 0		

[illegible]

WC024 Stellenbosch - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		(2 589)	-	-	74 152	100 355	100 355	12 945	22 000	31 000
Infrastructure - Road transport		-	-	-	7 142	10 943	10 943	1 600	-	-
Roads, Pavements & Bridges		-	-	-	7 142	10 943	10 943	1 600	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	6 931	25 640	25 640	235	250	250
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	6 931	25 640	25 640	-	-	-
Street Lighting		-	-	-	-	-	-	235	250	250
Infrastructure - Water		(20)	-	-	2 400	2 932	2 932	5 510	21 750	10 750
Dams & Reservoirs		-	-	-	-	-	-	1 470	3 500	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		(20)	-	-	2 400	2 932	2 932	4 040	18 250	10 750
Infrastructure - Sanitation		(2 569)	-	-	50 679	53 840	53 840	5 430	-	20 000
Reticulation		-	-	-	3 700	3 700	3 700	4 580	-	20 000
Sewerage purification		(2 569)	-	-	46 979	50 140	50 140	850	-	-
Infrastructure - Other		-	-	-	7 000	7 000	7 000	170	-	-
Waste Management		-	-	-	7 000	7 000	7 000	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	170	-	-
Community		-	-	-	-	-	-	1 620	1 450	2 070
Parks & gardens		-	-	-	-	-	-	20	50	20
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	600	250
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	20 420	24 799	25 030
Other		-	-	-	-	-	-	(18 820)	(23 999)	(23 230)
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		(255)	-	-	2 000	2 000	2 000	24 909	27 949	27 630
General vehicles		(255)	-	-	-	-	-	1 480	-	-
Specialised vehicles		-	-	-	-	-	-	50	-	-
Plant & equipment		-	-	-	-	-	-	975	1 250	500
Computers - hardware/equipment		-	-	-	2 000	2 000	2 000	1 700	1 800	2 000
Furniture and other office equipment		-	-	-	-	-	-	284	100	100
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	20 420	24 799	25 030
Agricultural assets		-	-	-	-	-	-	-	-	-
Agricultural 1		-	-	-	-	-	-	-	-	-
Agricultural 2		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Biological 1		-	-	-	-	-	-	-	-	-
Biological 2		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Total specified assets		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	(2 844)	-	-	76 152	102 355	102 355	39 474	51 399	60 700
Specialised vehicles		-	-	-	-	-	-	50	-	-
Refuse		-	-	-	-	-	-	50	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex		-0.2%	0.0%	0.0%	38.3%	48.7%	48.7%	21.3%	23.0%	25.0%
Renewal of Existing Assets as % of deprecn"		-6.7%	0.0%	0.0%	68.2%	91.6%	91.6%	34.6%	44.2%	51.2%

WC024 Stellenbosch - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure	2 <									

WC024 Stellenbosch - Supporting Table SA34d Depreciation by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		-	-	-	76 276	76 276	76 276	74 331	72 658	69 770
Infrastructure - Road transport		-	-	-	32 458	32 458	32 458	31 910	31 643	30 269
Roads, Pavements & Bridges					32 458	32 458	32 458	31 910	31 643	30 269
Storm water										
Infrastructure - Electricity		-	-	-	17 426	17 426	17 426	17 012	16 332	16 297
Generation					17 426	17 426	17 426	17 012	16 332	16 297
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	14 802	14 802	14 802	14 755	14 489	14 463
Dams & Reservoirs					14 802	14 802	14 802	14 755	14 489	14 463
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	8 003	8 003	8 003	7 604	7 587	6 771
Reticulation					8 003	8 003	8 003	7 604	7 587	6 771
Sewerage purification										
Infrastructure - Other		-	-	-	3 587	3 587	3 587	3 050	2 607	1 971
Waste Management					3 587	3 587	3 587	3 050	2 607	1 971
Transportation	2									
Gas	3									
Other										
Community		-	-	-	2 598	2 598	2 598	2 591	2 591	2 591
Parks & gardens					2 598	2 598	2 598	2 591	2 591	2 591
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Other assets		-	-	-	32 807	32 807	32 807	37 001	40 964	46 188
General vehicles					32 807	32 807	32 807	37 001	40 964	46 188
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Depreciation	1	-	-	-	111 681	111 681	111 681	113 922	116 213	118 549
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

References

WC024 Stellenbosch - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
R thousand								
Capital expenditure	1							
Vote 1 - MUNICIPAL MANAGER'S OFFICE		–	–	–				
Vote 2 - PLANNING AND DEVELOPMENT		37 382	80 466	80 515				
Vote 3 - COMMUNITY SERVICES		3 490	4 582	2 775				
Vote 4 - 0		–	–	–				
Vote 5 - CIVIL ENGINEERING SERVICES		138 891	135 725	156 677				
Vote 6 - PUBLIC SAFETY		3 445	500	500				
Vote 7 - CORPORATE SERVICES		135	–	–				
Vote 8 - 0		–	–	–				
Vote 9 - FINANCIAL SERVICES		2 400	1 870	2 070				
Vote 10 - 0		–	–	–				
Vote 11 - 0		–	–	–				
Vote 12 - 0		–	–	–				
Vote 13 - 0		–	–	–				
Vote 14 - 0		–	–	–				
Vote 15 - 0		–	–	–				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		185 744	223 143	242 537	–	–	–	–
Future operational costs by vote	2							
Vote 1 - MUNICIPAL MANAGER'S OFFICE								
Vote 2 - PLANNING AND DEVELOPMENT		100	190	610				
Vote 3 - COMMUNITY SERVICES		212	446	546				
Vote 4 - 0								
Vote 5 - CIVIL ENGINEERING SERVICES		968	1 068	2 716				
Vote 6 - PUBLIC SAFETY		20	3 370	3 470				
Vote 7 - CORPORATE SERVICES								
Vote 8 - 0								
Vote 9 - FINANCIAL SERVICES								
Vote 10 - 0								
Vote 11 - 0								
Vote 12 - 0								
Vote 13 - 0								
Vote 14 - 0								
Vote 15 - 0								
<i>List entity summary if applicable</i>								
Total future operational costs		1 300	5 074	7 342	–	–	–	–
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		187 043	228 217	249 879	–	–	–	–

References

WC024 Stellenbosch - Supporting Table SA37 Projects delayed from previous financial year/s

[illegible]

References

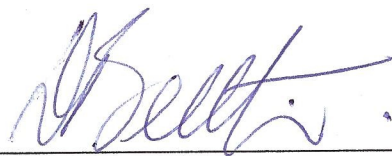
Q: QUALITY CERTIFICATE

I, Mr. D Beretti, Acting Municipal Manager of the Stellenbosch Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Name: David Beretti

Acting Municipal Manager of Stellenbosch Municipality

Signature



Date

22 MARCH 2012

MONTHLY HOUSEHOLD AND BUSINESS ACCOUNTS SCENARIOS BY MEANS OF RANDOM SAMPLE

SMALL HOUSEHOLD (NON- INDIGENT)		600202000	Erf 36	Monthly Account	Exc Vat Current 2011/2012	Exc Vat 2012/2013
Stand - sq.m		416		Property Rates	35.98	38.09
Buildings - sq.m		57		Electricity - Units	166.14	164.72
Elec. - Kwh/pm		237		Water	75.24	79.50
Electricity-Basic		0		Water Basic	37.31	39.55
Water - Kl./pm		18		Sewerage	78.50	85.92
Water-Basic		39.55		Refuse Removal	81.16	88.06
Valuation		175 500.00				
New Valuation		175 500.00		A/c Excluding VAT	474.33	495.84
Free Water		0		% Increase		4.53%
Free Elec.		0		Effect on Municipal account	R	21.51

MEDIUM HOUSEHOLD		373420016	Erf 7018	Monthly Account	Exc Vat Current 2011/2012	Exc Vat 2012/2013
Stand - sq.m		626		Property Rates	224.19	237.35
Buildings - sq.m		189		Electricity - Units	607.64	639.13
Elec. - Kwh/pm		598		Water	88.33	97.49
Electricity-Basic		0.00		Water Basic	37.31	39.55
Water - Kl./pm		21		Sewerage	98.17	107.49
Water-Basic		39.55		Refuse Removal	81.16	88.06
Valuation		649 000.00				
New Valuation		649 000.00		A/c Excluding VAT	1 136.80	1 209.07
Free Water		0		% Increase		6.36%
Free Elec.		0		Effect on Municipal account	R	72.27

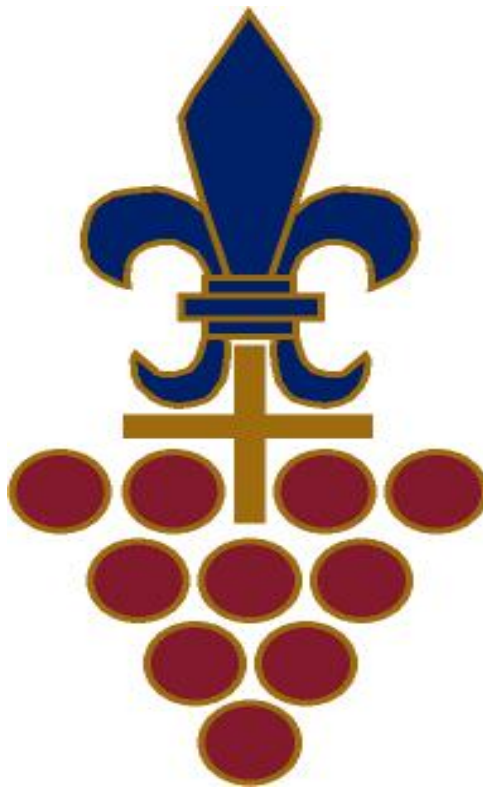
LARGE HOUSEHOLD		70270004	Erf 1480	Monthly Account	Exc Vat Current 2011/2012	Exc Vat 2012/2013
Stand - sq.m		1255		Property Rates	1 234.32	1 306.77
Buildings - sq.m		293		Electricity - Basic	65.00	80.00
Elec. - Kwh/pm		791		Electricity - Units	710.24	825.58
Electricity-Basic		80		Electricity Demand Levy	-	-
Water - Kl./pm		94		Water	946.04	1 055.18
Water-Basic		39.55		Water Basic	37.31	39.55
Valuation		3 190 200.00		Sewerage	139.86	153.14
New Valuation		3 190 200.00		Refuse Removal	81.16	88.06
Free Water		0		A/c Excluding VAT	3 213.93	3 548.28
Free Elec.		0		% Increase		10.40%
				Effect on Municipal account	R	334.35

MONTHLY HOUSEHOLD AND BUSINESS ACCOUNTS SCENARIOS BY MEANS OF RANDOM SAMPLE

SMALL BUSINESS	441930003	Erf 8721	Monthly Account	Exc Vat	Exc Vat
				Current 2011/2012	2012/2013
Stand - sq.m	500		Property Rates	795.09	841.66
Buildings - sq.m	411		Electricity - Basic	160.00	180.00
Elec. - Kwh/pm	783		Electricity - Units	861.67	990.50
Electricity-Basic	180		Electricity Demand Levy	-	-
Water - Kl./pm	9		Water	95.48	97.56
Water-Basic	42.54		Water Basic	40.14	42.54
Valuation	1 000 000.00		Sewerage	338.06	370.16
New Valuation	1 000 000.00		Refuse Removal	287.97	312.45
Free Water	0		A/c Excluding VAT	2 578.41	2 834.87
Free Elec.	0		% Increase		9.95%
			Effect on Municipal account	R	256.46

INDUSTRIAL	341000004	Erf 6284	Monthly Account	Exc Vat	Exc Vat
				Current 2011/2012	2012/2013
Stand - sq.m	252 802		Property Rates	103 360.83	113 835.41
Buildings - sq.m	76 054		Electricity - Basic	1 800.00	2 120.00
Elec. - Kwh/pm	664319		Electricity - Units	305 586.89	381 983.43
Electricity-Basic	2120		Electricity Demand Levy	400 003.33	446 513.00
Water - Kl./pm	12453		Water	127 397.60	134 990.52
Water-Basic	42.54		Water Basic	40.14	42.54
Valuation	135 250 000.00		Sewerage	12 902.91	14 128.73
New Valuation	135 250 000.00		Refuse Removal	1 439.85	1 562.25
Free Water	0		A/c Excluding VAT	952 531.56	1 095 175.88
Free Elec.	0		% Increase		14.98%
			Effect on Municipal account	R	142 644.32

STELLENBOSCH MUNICIPALITY



**DRAFT TARIFFS
2012/2013**

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STELLENBOSCH MUNICIPALITY

PROPERTY TAX RATES FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013.
Applicable from 1 July 2012.

Non Residential properties	R 0.01010
Residential properties	R 0.00505
Agricultural properties	R 0.00126

REBATES :

1. Gross Monthly Household Income (Senior Citizens & Disabled Persons)

Gross Monthly Household Income				% Rebate
Salary bands				2012/2013
Up to			R 4 500	100%
From	R 4 501	To	R 6 500	75%
From	R 6 501	To	R 8 500	50%
From	R 8 501	To	R 10 000	25%

2. Municipal valuation

100 % on all residential properties up to a maximum value of R85 000

3. Stellenbosch University

A rebate of 20% will be granted to properties registered in the name of Stellenbosch University

STELLENBOSCH MUNICIPALITY					
ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE STELLENBOSCH MUNICIPALITY					
TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2012					
				2011/2012	2012/2013
1. DOMESTIC					
Life Line PP (For qualifying indigent customers and receiving the first 60 units free per month)	Block 1	0 - 50 kWh	c/kWh	n/a	n/a
	Block 2	51 -350 kWh	c/kWh	72.00	103.50
	Block 3	351 -600 kWh	c/kWh	98.00	118.50
	Block 4	601 - 99999 kWh	c/kWh	114.00	133.50
Regular PP (Using Prepaid Meters AND Less than 600kWh per month average previous Financial Year: 60 Ampere single and 3 - phase maximum)	Block 1	0 - 50kWh	c/kWh	63.00	69.50
	Block 2	51 -350 kWh	c/kWh	90.00	103.50
	Block 3	351 -600 kWh	c/kWh	107.00	118.50
	Block 4	601 - 99999 kWh	c/kWh	118.00	133.50
Regular (Using Credit Meters OR Prepaid Meters with more than 600kWh per month average previous Financial Year: 60 Ampere single and 3 - phase maximum)	Fixed Charge		R/month	R 65.00	R 80.00
	Block 1	0 - 50kWh	c/kWh	63.00	69.50
	Block 2	51 -350 kWh	c/kWh	72.00	85.50
	Block 3	351 -600 kWh	c/kWh	98.00	112.50
	Block 4	601 - 99999 kWh	c/kWh	114.00	132.50
2. COMMERCIAL					
Life Line (<20Ampere and Pre Paid Only for micro entrepreneurial businesses)	Fixed Charge		R/month	0.00	R 0.00
	Energy		c/kWh	122.00	138.50
Low (=60Ampere maximum, Pre Paid only and non profitable and charities)	Fixed Charge		R/month	R 100.00	R 120.00
	Energy		c/kWh	110.00	138.50
Regular (80Ampere, single and 3 - phase)	Fixed Charge		R/month	R 160.00	R 180.00
	Energy		c/kWh	110.00	126.50
3. AGRICULTURAL					
Regular (Regular and Bulk)	Fixed Charge		R/month	R 160.00	R 180.00
	Energy		c/kWh	110.00	126.50
4. INDUSTRIAL					
Low Voltage (>80A)	Fixed Charge		R/month	R 900.00	R 1 120.00
	Demand		R/kVA	160.00	178.00
	Energy		c/kWh	46.90	58.50
Medium Voltage	Fixed Charge		R/month	R 1 800.00	R 2 120.00
	Demand		R/kVA	155.00	173.00
	Energy		c/kWh	46.00	57.50
5. MUNICIPAL					
Street and Traffic Lights	Energy		c/kWh	110.00	126.50
Low Voltage (<80A)	Energy		c/kWh	100.00	115.50
Low Voltage (>80A)	Demand		R/month	R 40.00	R 156.00
	Energy		c/kWh	140.00	48.50
Medium Voltage	Demand		R/month	R 38.00	R 145.00
	Energy		c/kWh	130.00	46.50

STELLENBOSCH MUNICIPALITY					
ELECTRICITY TARIFFS: APPLICABLE TO ALL CUSTOMERS SUPPLIED BY THE STELLENBOSCH MUNICIPALITY					
TARIFFS APPLICABLE TO SERVICES RENDERED FROM 1 JULY 2012					
				2011/2012	2012/2013
6. TIME OF USE (LOW VOLTAGE)					
Service Levy	Fixed Charge		R/month	R 1 500.00	R 1 790.00
Access Charge	Demand		R/kVA	R 21.06	R 24.00
Demand Charge	Demand		R/kVA	R 16.81	R 19.00
High Demand - Peak	Energy		c/kWh	250.89	282.50
High Demand - Standard			c/kWh	71.27	83.50
High Demand - Off-Peak			c/kWh	41.89	50.50
High Demand - Reactive Energy Charge			c/kVArh	9.78	11.00
Low Demand - Peak			c/kWh	75.96	88.50
Low Demand - Standard			c/kWh	49.68	59.50
Low Demand - Off-Peak			c/kWh	37.24	45.50
Low Demand - Reactive Energy Charge			c/kVArh	0.00	0.00
7. TIME OF USE (MEDIUM VOLTAGE)					
Service Levy	Fixed Charge		R/month	R 3 000.00	R 3 460.00
Access Charge	Demand		R/kVA	R 19.59	R 21.75
Demand Charge	Demand		R/kVA	R 15.64	R 17.37
Reactive Energy Charge	Energy		c/kVArh	9.10	10.10
High Demand - Peak			c/kWh	233.39	262.63
High Demand - Standard			c/kWh	66.30	77.11
High Demand - Off-Peak			c/kWh	38.97	46.77
Low Demand - Peak			c/kWh	70.66	81.95
Low Demand - Standard			c/kWh	46.21	54.81
Low Demand - Off-Peak			c/kWh	34.64	41.96
8. AVAILABILITY FEES					
Availability	Fixed Charge		R/month	R 1 083.23	1 280.70

*****All tariffs exclusive of VAT

STELLENBOSCH MUNICIPALITY

WATER TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013 Applicable to services rendered from 1 July 2012.

2012/2013

Monthly consumption	Normal consumption periods	20% Water restriction periods
	Amount Excl VAT	Amount Excl VAT
DOMESTIC		
0 kiloliters to 6 kiloliters	R 3.45 per kl.	R 3.45 per kl.
7 kiloliters to 20 kiloliters	R 4.90 per kl.	R 5.38 per kl.
21 kiloliters to 40 kiloliters	R 8.19 per kl.	R 9.83 per kl.
41 kiloliters to 60 kiloliters	R 12.19 per kl.	R 16.73 per kl.
61 kiloliters and above	R 16.42 per kl.	R 23.39 per kl.
DOMESTIC CLUSTER		
0 kiloliters to 6 kiloliters	R 3.45 per kl.	R 3.45 per kl.
7 kiloliters and above	R 8.19 per kl.	R 10.45 per kl.
COMMERCIAL AND INDUSTRIAL	R 10.84 per kl.	
MUNICIPAL & DOMESTIC LEAKAGES	R 5.43 per kl.	
MISCELLANEOUS AND ALL OTHER USERS	R 10.27 per kl.	
BASIC CHARGE		
Domestic + domestic cluster	R 39.55	
All other	R 42.54	
MASO		
0 kiloliters to 55 kiloliters	R 0.76 per kl.	
Above	R 10.27 per kl.	

Basic charge not applicable to registered indigent consumers

BULK USERS

Water consumption for irrigation of sportsgrounds of schools, irrigation of Council property by sports clubs, as well as irrigation of parks and other grounds by Council's Dept's. of Parks and Recreation:

Monthly consumption	Normal consumption periods	20% Water restriction periods
	Amount Excl VAT	Amount Excl VAT
To 2000 kiloliters	R 5.87 per kl.	R 7.27 per kl
Above 2000 kiloliters	R 6.83 per kl.	R 9.88 per kl

Vacant Erf Availability

R 837.35 per annum

STELLENBOSCH MUNICIPALITY

SOLID WASTE TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013 Applicable to services rendered from 1 July 2012.

	SERVICES RENDERED	UNIT	COMMENTS	2011/2012	2012/2013	%
				R VAT excl		
Residential Waste Collection (Households, Flats, Hostels, Retirement homes, Churches, Schools, Welfare Organisations, etc.)						
	Definition: 1 refuse unit = 240ℓ = 3 standard refuse bags					
	Indigent subsidy: A monthly subsidy (to be determined by Council) to be credited to a registered indigent consumer's account					
Black bags (Only were Wheelie bins have not been introduced)						
	Single residential properties for indigent households. Plot not exceeding 250 m ² and a maximum building value of R85 000	per month	Account payable by property owner. Max 3 closed bags. No other extra's. Service will cancel when 240ℓ bin is issued.	R 63.13	R 68.50	8.50%
	Basic residential collection based on 3 standard refuse bags once per week - 1 st refuse unit - One dwelling on erf	per month	Account payable by property owner. Max 3 closed bags. No other extra's. Service will cancel when 240ℓ bin is issued.	R 81.16	R 88.06	8.50%
	Basic residential collection based on 3 standard refuse bags per dwelling (1 refuse unit) for additional dwellings on same erf	per refuse unit per month	Account payable by property owner. Max 3 additional closed bags. No other extra's. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued. At cluster housing, flats, etc. 1 refuse unit to be charged for every living unit (per mo	R 81.16	R 88.06	8.50%
	Additional collection based on an additional 3 standard refuse bags once per week - 2 nd refuse unit or more	per month	Account payable by property owner. Max 3 additional closed bags. No other extra's. Per fixed arrangement - not variable. Service will cancel when 240ℓ bin is issued.	R 81.16	R 88.06	8.50%
Mobile bins (240ℓ Wheelie bin)						
	Black Bin (Black lid Black bin)			2011/2012	2012/2013	%
	Basic residential collection based on 1 X 240 ℓ per week - 1 st bin - One dwelling per erf	per month	Account payable by property owner. No extra's beside bin. At cluster housing, flats, etc. (units to be charged per quantity of bins used.Only WCO 24 bins will be collected	R 81.16	R 88.06	8.50%
	Basic residential collection based on 1 X 240 ℓ per week for additional dwellings on same erf	per refuse unit per month	Account payable by property owner. No extra's beside bin. At cluster housing, flats, etc. Units to be charged per quantity of bins used.Only WCO 24 bins will be collected.	R 81.16	R 88.06	8.50%
	Basic residential collection based on 1 x 240 L bin pw for additional dwellings		Account payable by property owner. No extra's beside bin. At cluster housing, flats, etc. Units to be charged per quantity of bins used.Only WCO 24 bins will be collected.	R 81.16	R 88.06	8.50%
	Blue Bin (Blue lid Black bin)			2011/2012	2012/2013	%
	Three times per week removal with a blue lid 240ℓ refuse bin (sectional title, residential zoned i.e. Hostels, Flats, Old age/retirement villages - NOT HOUSEHOLDS)	Per add 240ℓ bin per month	Account payable by property owner. No extra's beside bin. (Sectional title, residential zoned i.e. Hostels, Flats, Old age/retirement villages).(Businesses to be charged per quantity of bins)	R 287.97	R 312.45	8.50%
Non Residential Waste Collections (Business and Commercial)						
	Definition: 1 refuse unit = 240ℓ = 3 standard refuse bags					
Black bags (Only were Wheelie bins have not been introduced)						
	Additional collection based on an additional refuse bags, once per week - measured in the number of additional refuse units (3 standard refuse bags) per week	per month	Account payable by business owner. No other extra's. Per fixed arrangement - not variable. Service will cancel when 240 ℓ bin is issued.	R 85.20	R 92.44	8.50%
	Collection based on 3 standard refuse bags 3 x per week - three refuse units per month	per month	Account payable by business owner. Max 3 closed bags. No other extra's. Service will cancel when 240ℓ bin is issued.	R 287.97	R 312.45	8.50%
	Additional collection based on an additional refuse bags, 3 x per week - measured in the number of additional refuse units (3 standard refuse bags) per week	per month	Account payable by business owner. No other extra's. Per fixed arrangement - not variable. Service will cancel when 240 ℓ bin is issued.	R 287.97	R 312.45	8.50%
Mobile bins (240ℓ Wheelie bin)						
	Blue Bin (Blue lid Black bin)			2011/2012	2012/2013	%
	Collection based on 1 X 240ℓ three times per week measured as one blue bin.	per month	Account payable by business owner. No other extra's. Per fixed arrangement - not variable.	R 287.97	R 312.45	8.50%
	Additional 240ℓ removals three times per week - measured as the number of additional blue bins	per month	Account payable by business owner. No other extra's. Per fixed arrangement - not variable.	R 287.97	R 312.45	8.50%

STELLENBOSCH MUNICIPALITY

SOLID WASTE TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

	SERVICES RENDERED	UNIT	COMMENTS	2011/2012	2012/2013	%
				R		
				VAT excl		
Charges and Levies						
	Solid Waste availability charge	per month	Vacant erven and to all households, businesses, flats, developments not making use of municipal collection services	R 42.42	R 46.03	8.50%
Collection of garden refuse						
	Garden refuse	per load	½ load	New	R 209.60	
			Full load	New	R 419.19	

STELLENBOSCH MUNICIPALITY

SEWERAGE TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013 Applicable to services rendered from 1 July 2012

A. PROPERTIES UTILISED FOR DWELLING PURPOSES ONLY : (Tariff RES)

Size of erf in m²			Sewerage levy	
			2011/2012	2012/13
0	-	250	R 734.21	R 803.96
251	-	500	R 942.00	R 1 031.49
501	-	600	R 1 061.19	R 1 162.00
601	-	700	R 1 177.98	R 1 289.88
701	-	800	R 1 295.94	R 1 419.06
801	-	900	R 1 413.81	R 1 548.12
901	-	1 000	R 1 530.76	R 1 676.18
Above	-	1 000	R 1 530.76	R 1 676.18

R 161.54 for each additional 500m²
or part thereof.

Should there be more than one dwelling unit on a property, the area is divided by the number of dwellings and a levy is calculated for each such portion as if it constitutes a separate erf. The above formula is applied i.r.o. each portion.

B. VACANT RESIDENTIAL ERVEN : (Tariff RES)

Size of erf in m²			Sewerage availability levy	
To	-	1 000	R 884.80	R 968.86
Above	-	1 000	R 1 144.77	R 1 253.52

C. ALL OTHER DEVELOPED ERVEN : (Tariff NRES)

Size of erf in m²			Sewerage levy	
0	-	500	R 933.46	R 1 022.14
501	-	1 000	R 1 079.92	R 1 182.51
1 001	-	1 500	R 1 207.72	R 1 322.45
1 501	-	2 000	R 1 481.24	R 1 621.96
2 001	-	3 000	R 1 920.92	R 2 103.40
3 001	-	4 000	R 2 304.86	R 2 523.82
4 001	-	5 000	R 2 579.66	R 2 824.72
5 001	-	7 500	R 3 156.48	R 3 456.35
7 501	-	10 000	R 3 677.51	R 4 026.87
10 001	-	15 000	R 4 526.76	R 4 956.80
15 001	-	20 000	R 5 213.15	R 5 708.40
Above	-	20 000	R 5 979.49	R 6 547.54

In addition to the above charges, the following fees, based on the area and usage of the buildings are payable :

STELLENBOSCH MUNICIPALITY

SEWERAGE TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013 Applicable to services rendered from 1 July 2012

LEVIES BASED ON USAGE AND FLOOR AREAS OF BUILDINGS				
DESCRIPTION	AREA	SEWERAGE		
Use of buildings	Intervals (m²)	Tariffs		
		Code	per m²	
a) Offices, Consulting rooms, Power-station, Ambulance station, Fire-station	To - 2 500 2 501 - 5 000 Above 5 000	ADD03	R 7.95 R 7.95 R 7.95	
b) Halls for the purposes of letting, Cinemas, Theatres, Venues for Meetings	To - 2 500 2 501 - 5 000 5 001 - 10 000 Above 10 000	ADD03	R 7.95 R 7.95 R 7.95 R 7.95	
c) Shops not included under (d)		ADD03	R 7.95	
d) Fish shops, Greengrocer shops, Butcheries		ADD06	R 19.65	
e) Cafe's, Restaurants		ADD03	R 7.95	
f) Educational & Research buildings, Transformers, Techno park		ADD03	R 7.95	
g) Private hostels, Boarding homes, Hostels		ADD09	R 13.86	
h) Licenced hotels, Guest-houses		ADD10	R 9.98	
i) Hospitals, Prisons, Clinics, Old age and other homes, Hospices, Shelters		ADD09	R 13.86	
j) Religious institutions, Sports clubs, Youth organisations, Libraries, Museums, Halls not for letting, Physical fitness centres, Health centres, Messes, Under cover parking		ADD12 ADD13	R 371.94 R 200.57	per water closet, or per urinal, or 0,5 m of urinal wall or part thereof, whichever the greatest.
k) Public amenities.			See (j)	
l) Factories, Warehouses, Workshops, Garages, Dry cleaners, Laundries		ADD17 ADD18	R 1 139.95 R 571.23	per water closet, or per urinal, or 0,5 m of urinal wall or part thereof, whichever the greatest.
m) Dwelling units that are part of buildings described under (a) to (l)		ADD20	R 1 139.95	
n) Rooms used for dwelling purposes, forming part of buildings under (a) to (l)		ADD13	R 200.57	

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

DIRECTORATE: FINANCIAL SERVICES

	Tariff 2011/12	Excl Vat 2012/13	VAT 14%	Tariff 2012/13
ALGEMEEN/GENERAL				
Belastinguitklaringsfooi(waardasiesertifikaat ingesluit) / Rates clearance fee(valuation certificate included)	115.00	114.04	15.96	130.00
Not rated clearance (Sect title units)	115.00	105.26	14.74	120.00
Administrasiekoste Onteerde betaling/Admin Fee for dishonoured payment	126.00	122.81	17.19	140.00
Spesiale meterlesings per verbruikersrekening (per geleentheid) / occasion	70.00	70.18	9.82	80.00
Afsluitingsfooi vir wanbetalings/ Disconnection fee for non payments	200.00	219.30	30.70	250.00
Ongeïdentifiseerde/foutiewe deposito's op bankstaat / Unidentified/incorrect deposits on bank statement	50.00	52.63	7.37	60.00
Administratiewe fooi vir Aanmanings SMS'e en Kennisgewings / Administration fee for "Reminder" SMS's and Notices	New	8.77	1.23	10.00
VERSKAFFING VAN INLIGTING/PROVISION OF INFORMATION				
Gemagtigde rekenaarverslae per bladsy / Authorized computer printouts per page	5.00	4.39	0.61	5.00
Uitreik van waardasiesertifikaat / Issue of valuation certificate	65.00	65.79	9.21	75.00
Uittreksels uit rekeninge - per maandstaat	30.00	26.32	3.68	30.00
Extracts from accounts - per monthly statement				
Uittreksels uit rekords : uurtarief	165.00	157.89	22.11	180.00
Extracts from records : rate per hour				
Fotostate / Copies : per A4 - bladsy / page	5.00	4.39	0.61	5.00
Fotostate / Copies : per A3 - bladsy / page	10.00	8.77	1.23	10.00
Waardasie Inligting / Valuation Information	10.00	8.77	1.23	10.00
DEPOSITO'S VIR DIENSTE/DEPOSIT FOR SERVICES				
Water/Water	600.00	600.00		600.00
Elektrisiteit (huishoudelik) / Electricity (domestic)	1 100.00	1 100.00		1 200.00
Elektrisiteit (ander): bereken met minimum van/ Electricity (other): calculate with a minimum of	5 000.00	4 500.00		6 000.00
Aanpassing van deposito's as gevolg van wanbetaling/ Adjustment of deposits due to non payment		** 2 times and more on cut-off list; deposit to be adjusted to cover increased risk.		

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES	Tariff 2011/12	Excl Vat 2012/13	VAT 14%	Tariff 2012/13
TOEGANGSGELDE / ENTRANCE FEES:				
JONKERSHOEK PIEKNIEKTERREIN / PICNIC SITE				
Persone / Persons	16.00	17.54	2.46	20.00
Voertuie / Vehicles	11.00	13.16	1.84	15.00
Children below 5 years of age				Free
Official year end function for Council employees (by prior arrangement only)				Free
CLOETESVILLE SWEMBAD / SWIMMING POOL				
Kinders onder die ouderdom van 10 jaar vergesel deur volwassenes Children under the age of 10 years accompanied by adults	Gratis/ Free	Gratis/ Free	Gratis/ Free	Gratis/ Free
Kinders 10 tot 18 jaar / Children from the age of 10-18 years	5.00	4.82	0.68	5.50
Volwassenes / Adults	10.00	8.77	1.23	10.00
Group bookings must be pre-arranged at (021) 8889-6316:				
30 - 40 persons		298.25	41.75	340.00
41 - 60 persons	New tariff structure	425.44	59.56	485.00
61 - 80 persons		578.95	81.05	660.00
81 and more persons		714.91	100.09	815.00
BEGRAAFPLAASDIENSTE / CEMETERY SERVICES: WC024				
Waar 'n familie as behoeftige geregistreer is by die Munisipaliteit, kan die familie (slegs naaste familie kwalifiseer vir 50% afslag op die tarief vir 'n grafperseel. Die familie of delegasie moet aansoek doen by n beampste wat daartoe gemagtig is om dit te doen. Die aansoek moet gerig word aan die Direkteur Gemeenskapsdienste met bewys van registrasie van behoeftiges.				
Where a family has been properly registered as an indigent beneficiary at the Municipality, the members of the family (not including extended members) could qualify for 50% discount on the tariff of a gravesite. The family or a delegate must apply for th				
1. Grafperseel : kinders onder 12 jaar oud / Grave site children under the age of 12 years	450.00	416.67	58.33	475.00
2. Grafperseel : persone 12 jaar en ouer / Grave site persons 12 years and older	850.00	789.47	110.53	900.00
3. Teraardebestelling : kinders onder 12 / Burial : children under 12 years	265.00	245.61	34.39	280.00
4. Teraardebestelling : persone bo 12 jaar en ouer / Burial : Persons 12 years and older	530.00	491.23	68.77	560.00
5. Ekstra grafdiepte per 600mm of gedeelte: tot maksimum van 8vt (2,4m) Additional excavation of grave depth per 600mm or part thereof: to a max. of 8ft (2,4m)	New tariff structure	140.35	19.65	160.00
6. Ekstra grafwydte per 100mm of gedeelte daarvan: tot maks 2.4m (standaardwydte = 550mm onder 12 jaar / 750mm bo 12 jaar) Additional excavation of grave width per 100mm or part thereof: to a max. of 2.4m Standard width = 550mm under 12 years / 750mm over 12 years)	95.00	87.72	12.28	100.00
7. Opgrawings / Disinterments	690.00	640.35	89.65	730.00
8. Begrawe van veraste oorblyfsels in bestaande grafte / Burial of ashes in existing grave	95.00	87.72	12.28	100.00
9. Herbespreking van grafpersele / Reconfirmation of grave site	135.00	122.81	17.19	140.00
10. Wysiging of oordrag van reservering / Change in reservation	50.00	43.86	6.14	50.00
11. Addisionele heffing vir dienste aangevra vir Sondae / Additional levy for services on Sundays: 11a.Groepe vrygestel deur Munisipale Verordening/Groups exempted by Municipal By-Law	0.00	0.00	0.00	0.00
11b. Groepe nie vrygestel deur Munisipale Verordening / Groups not exempted by Municipal By-Law	2 895.00	2 631.58	368.42	3 000.00
12. Addisionele heffing vir dienste aangevra vir Saterdag / Additional levy for services on Saturdays (weekly tariff)	1 002.00	921.05	128.95	1 050.00
Geregistreerde behoeftige gebruikers/ Registered indigent consumers	472.00	438.60	61.40	500.00
13. Verkoop van losstaande nisse / Sale of free standing niches	1 850.00	1 710.53	239.47	1 950.00
14. Ingeboude nisse / Built-in niches	425.00	394.74	55.26	450.00
15. Nuwe Grafsteenpermit / New Permit for gravestone	180.00	166.67	23.33	190.00
16. Research fee/ opsporings fooi	350.00	324.56	45.44	370.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES	Tariff 2011/12	Excl Vat 2012/13	VAT 14%	Tariff 2012/13
BEGRAAFPLAASDIENSTE / CEMETERY SERVICES: outside WC024				
Tariewe vir persone wat buite die munisipale grense gewoon het by oorlye = 4 maal die tariewe hierbo, behalwe die verkoop van nisse, waarop 'n 50% belading geld. Indien sulke persone reeds 'n graf besit, geld hierdie belading steeds op die maak van grafte. / Tariffs for persons residing outside of the municipal area at the time of death = 4 times the tariffs above, with the exception of the sale of niches, to which a 50% surcharge applies. Should such a person already possess a grave site, the excess still applies to the digging of the grave and other related charges. Normale tariewe geld ten opsigte van begrafnisse op Sondae en Openbare Vakansiedae vir geloofsgroepe soos vervat in die Verordening/ Normal tariffs will apply for burials on Sundays and public holidays for certain religious groups as determined by the By-Law				
TARIFFS FOR ANY PARK OR PUBLIC OPEN SPACE FOR EVENTS				
<i>Event = includes commercial photography , cinema photography and film productions.</i> <i>Birthday parties, creches & school events, religious events, festivals, markets, motor rallies, cycling events</i> <i>Event = one (1)day</i>				
TARIFFS FOR THE BRAAK				
Tariff for non profitable organizations per day	500.00	464.91	65.09	530.00
Tariff for profitable organizations within WC024 per day	2 200.00	2 048.25	286.75	2 335.00
Tariff for profitable organizations outside WC024 per day	4 800.00	4 464.91	625.09	5 090.00
TARIFFS FOR ALL OTHER PUBLIC OPEN SPACES				
Tariff for non profitable organizations/religious usage per day	200.00	0.00	0.00	0.00
Tariff for profitable organizations within WC024 per day	2 200.00	2 048.25	286.75	2 335.00
Tariff for profitable organizations outside WC024 per day	4 800.00	4 464.91	625.09	5 090.00
NATURE RESERVES / PLANTATIONS				
Tariff for non-profitable/religious usage per event when electricity usage is included	215.00	197.37	27.63	225.00
Wedding ceremony, including electricity usage where applicable.	1 000.00	921.05	128.95	1 050.00
Tariff for profitable organizations	5 090.00	4 719.30	660.70	5 380.00
Initiations in plantations (tariff as per Council decision)	1 000.00	1 315.79	184.21	1 500.00
Lessees are not entitled to exclusive rights of the venue at a time Refundable deposit of R1000 applies to profitable organisations.				

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SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013 Applicable to services rendered from 1 July 2012.

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES	Tariff 2011/12	Excl Vat 2011/12	VAT 14%	Tariff 2012/13
LIBRARY SERVICES (including Community Youth Centres)				
Faxes				
Fee for receiving a fax - per page	1.50	1.75	0.25	2.00
Fee for sending a local fax per page	3.00	2.63	0.37	3.00
Fee for sending a national fax per page	7.00	6.10	0.90	7.00
Photostats				
1 X A4 black and white copy	0.50	0.44	0.06	0.50
1 X A3 black and white copy	1.00	0.88	0.12	1.00
1 X A4 colour copy	6.00	5.27	0.73	6.00
Penalties				
Fine for late books, magazines and CD's: Fee for first two weeks - per week	0.80	0.70	0.10	0.80
Fine for late books, magazines and CD's: Fee from third week - per week	1.30	1.14	0.16	1.30
Maximum fine to be charged for late books, magazines and CD's	32.00	28.07	3.93	32.00
Fine for late video's and DVD's per day	5.40	4.74	0.66	5.40
Maximum fine to be charged for late video's and DVD's	54.00	47.37	6.63	54.00
Fine for late art prints: Fee for first two weeks - per week	10.80	9.47	1.33	10.80
Maximum fine to be charged for late art prints	108.00	94.74	13.26	108.00
<i>No fines will be charged for one month in the year during National Library Week</i>				
Damaged or lost library items:				
1st and 2nd replacement of computerised membership card	14.00	12.28	1.72	14.00
3rd and thereafter, replacement of computerised membership card	28.00	24.57	3.43	28.00
Cost to replace a plastic sleeve	5.00	3.51	0.49	4.00
Replacement of a CD's and DVD case	6.00	5.27	0.73	6.00
Replacement of plastic video holder	10.00	8.77	1.23	10.00
Replacement cost of a damaged and lost library item		As specified on item		
Minor damages to any library item	11.00	9.65	1.35	11.00
Internet Services				
Printing fee for a A4 black and white page	2.00	1.75	0.25	2.00
Internet access per 30 min session	4.00	3.51	0.49	4.00
Internet access for scholars under 18 years	Free	Free	Free	Free
General				
Reservation of library material	3.50	3.07	0.43	3.50
Inter Library Loan reservation fee	3.50	3.07	0.43	3.50
Annual membership fee for users residing outside municipality boundaries	64.00	56.14	7.86	64.00
Visitors fees for users that will be residing in the municipal area for less than 3 months	64.00	56.14	7.86	64.00
Plein Street, Idas Valley, Cloeteville & Franschhoek Library Hall				
Rental charged for a Profitable Organisation - per session	380.00	333.33	46.67	380.00
Rental charged for a Non Profitable Organisation - per session	67.00	58.77	8.23	67.00
Rental of kitchen facility per session	75.00	65.79	9.21	75.00
Kayamandi Library Hall				
Rental charged for a Profitable Organisation - per session	160.00	140.35	19.65	160.00
Rental charged for a Non Profitable Organisation - per session	32.00	28.07	3.93	32.00
Rental of kitchen facility per session	67.00	58.77	8.23	67.00
CONDITIONS FOR USAGE OF A LIBRARY HALL				
Not available for the following: weddings, birthdays, christening and parties				
Only Plein Street library is available after library hours				
No equipment and catering supplies are available at the halls				

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012

DIREKTORAAT: GEMEENSKAPSDIENSTE DIRECTORATE: COMMUNITY SERVICES

	2011/12			Full Tariff 2012/13			Discounted Tariff 2012/13			Additional levy: consumers outside WC024	
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend	Week	Weekend
Town Halls											
Stellenbosch				Foyer not available on its own							
Hall and Foyer	R 1 400.00	R 3 021.00	R 3 625.00	R 1 500.00	R 3 100.00	R 3 800.00	R 1 400.00	R 1 650.00	R 2 400.00	R 10 300.00	R 15 500.00
Facilities: Kitchen (including all appliances)	R 1 113.00	R 890.40	R 1 113.00	R 1 150.00	R 920.00	R 1 200.00					
Bar				R 600.00							
Foyer				Foyer not available on its own							
Franschhoek											
Hall	R 1 400.00	R 1 961.00	R 2 565.20	R 1 500.00	R 2 000.00	R 2 650.00	R 1 400.00	R 1 520.00	R 2 000.00	R 10 300.00	R 15 500.00
Facilities: Kitchen (including all appliances)	R 562.00	R 636.00	R 848.00	R 600.00	R 680.00	R 900.00					
Community Halls											
	2011/12			Full Tariff 2012/13			Discounted Tariff 2012/13			Additional levy: consumers outside WC024	
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend	Week	Weekend
Community Hall, Kylemore											
Hall	R 562.00	R 615.00	R 837.00	R 600.00	R 650.00	R 850.00	R 420.00	R 350.00	R 500.00	R 583.00	R 1 166.00
Eikestad Hall, Cloeteville											
Hall	R 562.00	R 615.00	R 837.00	R 600.00	R 650.00	R 850.00	R 392.00	R 323.00	R 451.00	R 583.00	R 1 166.00
Admin Hall, Kayamandi											
Hall	R 200.00	R 200.00	R 300.00	R 250.00	R 250.00	R 330.00	R 100.00	R 100.00	R 150.00	R 583.00	R 1 166.00
Community Hall, Kayamandi											
Hall	R 200.00	R 200.00	R 300.00	R 250.00	R 250.00	R 330.00	R 100.00	R 100.00	R 150.00	R 583.00	R 1 166.00
Pniel Banquet Hall											
Hall	R 562.00	R 615.00	R 837.00	R 600.00	R 650.00	R 850.00	R 392.00	R 323.00	R 451.00	R 583.00	R 1 166.00
Community Hall, La Motte											
Hall	R 200.00	R 200.00	R 300.00	R 250.00	R 250.00	R 330.00	R 100.00	R 100.00	R 150.00	R 583.00	R 1 166.00
Community Hall, Wemmershoek											
Hall	R 200.00	R 200.00	R 300.00	R 250.00	R 250.00	R 330.00	R 100.00	R 100.00	R 150.00	R 583.00	R 1 166.00

The following groups have been identified for the discounted tariffs:

- (i) Schools located within the WC024 for an official school function: discounted tariff of 30% on the rental of a hall for the function to a maximum of one (1) function per financial year, excluding the relevant deposit fees (which must be paid in full). Whe
- (ii) Churches located within WC024 for an official church function: discounted tariff of 30% on the rental of a hall for the function to a maximum of one (1) function per financial year, excluding the relevant deposit fees (which must be paid in full). Proof of location/residence will be required.
- (iii) Churches using a hall on a regular basis:
 - a Sermons are limited to 2 (two) hours per Sunday to accommodate other denominations/religious groups at the venue.
 - b The two Town Halls (Stellenbosch and Franschhoek), are excluded.
 - c The grant is subject to availability of the hall.
 - d A formal agreement will be entered into between the parties.
 - e A once-off deposit, until forfeited, and replenished, plus a monthly rental fee equivalent to the tariff for 1 (one) Sunday, relevant for the specific hall will be applicable.
 - f To accommodate churches during the week, the halls could be available for a maximum of two (2) additional bookings during the week over and above the Sunday sermon. This will be at no additional charge (included in e) above).
 - g Furniture will be free of charge, but must be arranged and put back after the sermon by the hirer.
 - h Due to the constraints on municipal overtime, no municipal officials will be available on weekdays or weekends to perform any supervisory functions or assistance.
- (iv) Non Governmental Organisations: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge.
- (v) Government Departments in other spheres of Government: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge.
- (vi) The six recognised vulnerable groups namely Aged, Disabled, Children, Youth, Women and People living on the Streets: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge. This discount is not available to individuals but is focused on interest groups representing the vulnerable groups.

- (vii) Individual families registered as indigent at the Municipality will be entitled to a 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full): Furniture, kitchen and utensils are free of charge. This rebate is for a maximum of one (1) booking per financial year per indigent family and the two Town Halls (Stellenbosch and Franschhoek are excluded).
- (viii) Organisations promoting the Greater Stellenbosch: 30% discount on rental of a hall or facility excluding the relevant deposit fees (which must be paid in full). Furniture, kitchen and utensils are free of charge. The following are examples of rebates that will be approved:
- Van Der Stel Festival
 - Wine Festival (Previously Food and Wine Festival)
 - Flower Show (Stellenbosch and Pniel)
 - Stellenbosch Festival
 - Bastille Festival
- (ix) The rebates mentioned in paragraphs i), ii), iv), v), vi) and vii) will only be considered for weekdays. All applications must be in writing and submitted to the Director: Community Services.
- (x) The Director: Community Services may consider motivated applications for discount in line with the abovementioned and approve rebates.

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SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
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DIREKTORAAT: GEMEENSKAPSDIENSTE
DIRECTORATE: COMMUNITY SERVICES

	2011/12			2012/13			Additional Levy: Consumers outside of WC024; Sports Unions and private companies		
	Deposit	Week	Weekend	Deposit	Week	Weekend	Deposit	Week	Weekend
Sports Fields									
Category A	New tariff			Market Related as per contract			Market Related as per contract		
Van der Stel									
Category B	New tariff			Market Related as per contract			Market Related as per contract		
Kylemore, Pniel, Idas Valley, Raithby, Klapmuts, Jamestown and Cloetesville									
Category C	New tariff			Deposit	Week	Weekend	Deposit	Week	Weekend
Wemmershoek				R 0.00	R 700.00	R 1 250.00	R 0.00	R 2 500.00	R 4 000.00
Groendal				R 0.00	R 700.00	R 1 250.00	R 0.00	R 2 500.00	R 4 000.00
Kayamandi				R 0.00	R 700.00	R 1 250.00	R 0.00	R 2 500.00	R 4 000.00
Category D	New tariff			Deposit	Week	Weekend	Deposit	Week	Weekend
Nietvoorbij				R 0.00	R 200.00	R 400.00	Category D fields not available for consumers outside WC024, sport unions or private companies		
La Motte				R 0.00	R 200.00	R 400.00			
Jonkershoek				R 0.00	R 200.00	R 400.00			
Papplaas				R 0.00	R 200.00	R 400.00			
Koelenhof				R 0.00	R 200.00	R 400.00			
Lanquedoc				R 0.00	R 200.00	R 400.00			

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

DIREKTORAAT: PUBLIEKE VEILIGHEID
DIRECTORATE: PUBLIC SAFETY

VERKEERSDIENSTE/TRAFFIC SERVICES	Tariff 2011/12	Excl Vat 2012/13	VAT 14%	Tariff 2012/13
Spesiale verkeersbystanddienste / Assistance at special occasions				
Uitreiking van Permit / Issue of Permit	120.00	120.40	19.60	140.00
Uurtarief : Maandag - Saterdag / Hourly tariff : Monday - Saturday	200.00	189.20	30.80	220.00
Uurtarief: Sondae en openbare vakansiedae				
Hourly tariff: Sunday and public holidays	350.00	326.80	53.20	380.00
Bystand tydens verfilming van video-advertensies / Assistance during the filming of video commercials (Addisioneel tot bostaande fooie / Additional to the abovementioned fees)				
Uitreiking van Permit / Issue of Permit	1 000.00	946.00	154.00	1 100.00
Minimum: Residential / Industrial up to 3 hours	2 000.00	1 806.00	294.00	2 100.00
Maximum: Residential / industrial more than 3 hours	9 000.00	8 170.00	1 330.00	9 500.00
Minimum: Rural up to 3 hours	2 500.00	2 236.00	364.00	2 600.00
Maximum: Rural more than 3 hours	9 000.00	8 170.00	1 330.00	9 500.00
Minimum High Risk Areas (eg, Franschhoek Pass + CBD areas) up to 3 hours	9 500.00	8 256.00	1 344.00	9 600.00
Maximum High Risk Areas (eg, Franschhoek Pass + CBD areas) more than 3 hours	16 500.00	14 620.00	2 380.00	17 000.00
Verwydering van verlate voertuie : Insleepgelde				
Removal of abandoned vehicles : Tow-in charges				
Binne Stellenbosch / In Stellenbosch	550.00	516.00	84.00	600.00
Buite Stellenbosch / Outside Stellenbosch -- Franschhoek / Klipmuts	650.00	602.00	98.00	700.00
Skutgeld per dag / Impoundment fee per day	70.00	68.80	11.20	80.00
Voertuigongeluk inligting / Vehicle accident information (i.t.o. PN5867/10-5-2002)	150.00	141.90	23.10	165.00
Parkeergelde : Bloemhof / Parking tariff : Bloemhof - Daily	20.00	17.20	2.80	20.00
Parkeergelde : Bloemhof / Parking Tariffs : Bloemhof - Monthly permit	300.00	301.00	49.00	350.00
Gestremde parkeer disket/ Disabled Parking Disc	50.00	43.00	7.00	50.00
Taxi rank permit (WCO24 area) per jaar/year	250.00	215.00	35.00	250.00
Hiring of Parking Bays per day	100.00	129.00	21.00	150.00
Parking Areas 30 min				
Checkers Parking Area (15 min Max 3 Hours)	2.50	3.01	0.49	3.50
Stelmark Parking Area (15 min Max 3 Hours)	3.00	3.44	0.56	4.00
Town Hall Parking Area (15 min Max 1 Hour)	3.50	3.87	0.63	4.50
Transvalia Parking Area (15 min Max 3 Hours)	2.50	3.01	0.49	3.50
Kerk Street/Church Street (15 min Max 2 Hours)	3.50	3.87	0.63	4.50
Plein Street (15 min Max 1 Hour)	3.50	3.87	0.63	4.50
Bloem Street (15 min Max 1 Hour)	2.50	3.01	0.49	3.50
Bird Street (Braak) (15 min Max 1 Hour)	3.50	3.87	0.63	4.50
Ryneveldt Street (15 min Max 1 Hour)	3.00	3.44	0.56	4.00
Andringa/Dorp/Merriman (15 min Max 1 Hour)	3.00	3.44	0.56	4.00
Andringa/Banghoek/Merriman (15 min Max 1 Hour)	2.50	3.01	0.49	3.50
Bird/Dorp/Plein (15 min Max 1 Hour)	3.00	3.44	0.56	4.00
Bird/Plein/Alexander (15 min Max 1 Hour)	3.00	3.44	0.56	4.00
Bird/Alexander/Merriman (15 min Max 1 Hour)	3.00	3.44	0.56	4.00
Alexander Dienspad (15 min Max 1 Hour)	3.00	3.44	0.56	4.00
Alexander Street (15 min Max 1 Hour)	3.00	3.44	0.56	4.00
Meul/Dorp/Plein (15 min Max 1 Hour)	3.00	3.44	0.56	4.00
Dorp Street (West) (15 min Max 1 Hour)	3.00	3.44	0.56	4.00
Midmar Parking (15 min Max 3 Hours)	2.50	3.01	0.49	3.50
Crozier Street (15 min Max 1 Hour)	3.00	3.44	0.56	4.00
Tol Parking (15 min Max 3 Hours)	3.50	3.87	0.63	4.50
Piet Retief (15 min Max 1 Hour)	3.00	3.87	0.63	4.50
Bird/ Crozier/Merriman (15 min Max 1 Hour)	3.00	3.44	0.56	4.00
Banghoek/Andringa/Bird (15 min Max 1 Hour)	2.50	3.01	0.49	3.50

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013 Applicable to services rendered from 1 July 2012.

DIREKTORAAT: PUBLIEKE VEILIGHEID DIRECTORATE: PUBLIC SAFETY

BRANDWEER DIENSTE / FIRE SERVICES	Tariff 2011/12	Excl Vat 2012/13	VAT 14%	Tariff 2012/13
Brandweerwaens / Fire Engines				
Per uur of gedeelte daarvan / Per hour or part thereof	550.00	516.00	84.00	600.00
Hidroutiese Platform / Hydranlic Platforms				
Per uur of gedeelte daarvan / Per hour or part thereof	1200.00	1 118.00	182.00	1300.00
Reddingsvoertuig / Emergency Vehicle (excluding Accidents/Rescue)				
Per uur of gedeelte daarvan / Per hour or part thereof	500.00	473.00	77.00	550.00
Diensvoertuie / Service Vehicle				
Per uur of gedeelte daarvan / Per hour or part thereof	300.00	344.00	56.00	400.00
Draagbare Pompe & Kragopwekker / Portable pumps & Generators				
Per uur of gedeelte daarvan / Per hour or part thereof	200.00	215.00	35.00	250.00
Sleepwaens / Trailers				
Per uur of gedeelte daarvan / Per hour or part thereof	450.00	430.00	70.00	500.00
Bergingseile / Storage Covers				
Per uur of gedeelte daarvan / Per hour or part thereof	100.00	129.00	21.00	150.00
Bos , veld , rommel (Boseenhede) / Bush , field , rubble (Bush units)				
Per uur of gedeelte daarvan / Per hour or part thereof	300.00	301.00	49.00	350.00
Personeel / Personnel				
Per uur of gedeelte daarvan / Per hour or part thereof	200.00	215.00	35.00	250.00
Instandhouding en Brandslangherstel / Maintenance & Fire-Hose Repair				
Skrop , toets & droog / Scrub , test & dry	100.00	129.00	21.00	150.00
Herstel / Repair	50.00	60.20	9.80	70.00
Koppelingbinding : Brandslang / Linkage : Fire-Hose	50.00	60.20	9.80	70.00
Koppelingbinding : Suigslang / Linkage : Suction hose	80.00	86.00	14.00	100.00
Koppelingbinding : Hoë druk / Linkage : High Pressure				
Brandvoorkomingsinspeksies / Fire prevention inspection				
Tenkinstallasies -Per tenk / Tank installation	200.00	215.00	35.00	250.00
VP Gas -Per installasie / Per installation	200.00	215.00	35.00	250.00
Sprinklaar ens : per jaar / Sprinkler ect per annum	200.00	215.00	35.00	250.00
Patrolliedienste & Ander / Patrol Services & Other				
Nie Operasionele dienste/ Non Operational Services				
Per Brandbestryder / Per Firefighter	200.00	215.00	35.00	250.00
Per Offisier / Per Officer	200.00	215.00	35.00	250.00
Planne of Ontwikkeling Konsultasiefooie (per uur) /	300.00	301.00	49.00	350.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

DIREKTORAAT: PUBLIEKE VEILIGHEID
DIRECTORATE: PUBLIC SAFETY

LAW ENFORCEMENT / WETSTOEPASSING	Tariff 2011/12	Excl Vat 2012/13	VAT 14%	Tariff 2012/13
Spesiale Wetstoepassings Dienste / Assistance at special occasions				
Uitreiking van Permit / Issue of Permit	120.00	129.00	21.00	150.00
Uurtarief : Maandag - Saterdag / Hourly tariff : Monday - Saturday	200.00	215.00	35.00	250.00
Uurtarief: Sondae en openbare vakansiedae / Hourly tariff: Sunday and public holidays	350.00	344.00	56.00	400.00
Bystand tydens verfilming van video-advertensies / Assistance during the filming of video commercials (Addisioneel tot bostaande fooie / Additional to the abovementioned fees)				
Uitreiking van Permit / Issue of Permit	1 000.00	946.00	154.00	1 100.00
Minimum: Residential / Industrial up to 3 hours	2 000.00	1 806.00	294.00	2 100.00
Maximum: Residential / industrial more than 3 hours	9 000.00	8 170.00	1 330.00	9 500.00
Minimum:Rural up to 3 hours	2 500.00	2 236.00	364.00	2 600.00
Maximum:Rural more than 3 hours	9 000.00	8 170.00	1 330.00	9 500.00
Minimum High Risk Areas (eg, Franschhoek Pass + CBD areas) up to 3 hours	9 500.00	8 256.00	1 344.00	9 600.00
Maximum High Risk Areas (eg, Franschhoek Pass + CBD areas) more than 3 hours	16 500.00	14 620.00	2 380.00	17 000.00
Skut van goedere gekonfiskeer / Inpoundment of goods confiscated	500.00	473.00	77.00	550.00
Provision of CCTV video footage information/ Voorsiening van CCTV video inligting				
Aansoekfooie/ Application Fee	160.00	137.60	22.40	160.00
Voorsiening van bewysmateriaal (CCTV video) per CD/ Provision of evidentiary evidence (CCTV video footage) per CD	300.00	258.00	42.00	300.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012

DIREKTORAAT INGENIEURS DIENSTE
DIRECTORATE ENGINEERING SERVICES

Electrical Engineering Services	Unit	2012/13	VAT
MISCELLANEOUS			
Special meter reading			
Office hours (till 15:00)	per occasion	R 150.00	Included
After Hours (After 15:00)	per occasion	R 220.00	Included
Sunday's and Public Holidays	per occasion	R 440.00	Included
Disconnection or Reconnection of Low Voltage supply:			
Office hours (till 15:00)	per occasion	R 150.00	Included
After Hours (After 15:00)	per occasion	R 220.00	Included
Sunday's and Public Holidays	per occasion	R 440.00	Included
1st Call to fault on consumer's installation :			
Office hours (till 15:00)	per occasion	R 240.00	Included
After Hours (after 15:00)	per occasion	R 420.00	Included
Sunday's and Public Holidays	per occasion	R 480.00	Included
2nd Call to fault on consumer's installation :			
Office hours (till 15:00)	per visit	R 330.00	Included
After Hours (after 15:00)	per visit	R 440.00	Included
Sunday's and Public Holidays	per visit	R 660.00	Included
Service not ready for connection	per visit	R 330.00	Included
Temporary supply at public venue:			
Existing kiosk with single phase plug point (where available)	per day	R 350.00	Included
Existing kiosk with three phase plug point (where available)	per day	R 470.00	Included
Supply temporary kiosk with single/three phase plug points where supply in close vicinity (Plus day tariff)	per occasion	R 1 160.00	Included
Temporary supply at public venue: (Non-profit organisations only)			
Existing kiosk with single phase plug point (where available)	per day	R 100.00	Included
Existing kiosk with three phase plug point (where available)	per day	R 150.00	Included
Supply temporary kiosk with single/three phase plug points where	per occasion	R 600.00	Included
MV switching on Council's equipment :			
Office hours	per occasion	R 2 200.00	Included
After Hours	per occasion	R 3 000.00	Included
Sundays & Public Holidays	per occasion	R 4 400.00	Included
Installation of banners	per banner	R 750.00	Included
Load control equipment:			
Refusal of installation	per month	R 500.00	Included
Penalty for the illegal disconnection of load control equipment	per occasion	R 1 100.00	Included

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012

DIREKTORAAT INGENIEURS DIENSTE **DIRECTORATE ENGINEERING SERVICES**

Electrical Engineering Services	Unit	2012/13	VAT
NEW SUPPLIES WHERE MUNICIPAL CABLE IS AT ERF BOUNDARY (INCLUDES ENERGY DISPENSER AND EXCLUDE CABLE JOINT ON PROPERTY BOUNDARY)			
60 A single phase energy dispenser installed next to distribution board	each	R 1 500.00	Included
Three phase energy dispenser installed next to distribution board	each	R 2 500.00	Included
Single Phase Energy Dispenser + Ready Board in Informal Settlements	each	R 2 500.00	Included
60 A single phase service connection installed to Non-Serviced Property from overhead line to erf boundary with a 60 A single phase energy dispenser installed next to distribution board	each	R 4 000.00	Included
All other new installations or upgrades as per quotation supplied by the Electrical Engineering Services Directorate		Quotation	
INSTALLATION OF ENERGY DISPENSERS			
Replacement of existing single phase credit meter with single phase energy dispenser	each	N/C	Included
Replacement of existing three phase credit meter with a three phase electricity dispenser	each	N/C	Included
Relocation of electricity dispenser within 1m radius	each	R 1 000.00	Included
Replacement of broken/removed seals	each	R 200.00	Included
Tampered single phase meter or supply :			
First offence (Plus Estimated value of Illegal Consumption not Registered)	per occasion	R 1 500.00	Included
Second offence (Plus Estimated value of Illegal Consumption not Registered)	per occasion	R 3 000.00	Included
Third offence (Plus Estimated value of Illegal Consumption not Registered)	per occasion	Supply Removed	Included
Tampered three phase meter or supply :			
First offence (Plus Estimated value of Illegal Consumption not Registered)	per occasion	R 3 000.00	Included
Second offence (Plus Estimated value of Illegal Consumption not Registered)	per occasion	R 6 000.00	Included
Third offence (Plus Estimated value of Illegal Consumption not Registered)	per occasion	Supply Removed	Included

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012

DIREKTORAAT INGENIEURS DIENSTE DIRECTORATE ENGINEERING SERVICES

Electrical Engineering Services	Unit	2012/13	VAT
METERING GENERAL			
Testing of single phase meters (on site verification)	each	R 500.00	Included
Testing of three phase meters (on site verification)	each	R 900.00	Included
Testing of three phase bulk meters (on site verification)	each	R 1 800.00	Included
Tariff investigation - based on existing consumption data	each	N/C	
Tariff or load profile investigation - requiring equipment and personnel/site	each	R 2 200.00	Included
Quality of supply investigation - requiring equipment and personnel/site visit's	each	R 2 500.00	Included
Installation of bulk metering and site certification	each	Quotation	Included
DEVELOPMENT BULK LEVY CONTRIBUTIONS			
<i>Please Note: Any additional costs to make the supply available to the users are for the developers account</i>			
Developer Provides Minisub			
Cluster housing, Semi-detached townhouses & flats	3 kVA	R 5 677.73	Excluded
Urban Residential, Freestanding homes or townhouses (LSM 7-10)	4 kVA	R 7 567.77	Excluded
Luxury Class Homes >250m ² (Airconditioning,underfloor heating,more than one electrical hot water cylinder etc)	6 kVA	R 11 351.65	Excluded
Non Residential per kVA	per kVA	R 1 578.25	Excluded
Existing Municipal Minisub or Transformer			
Cluster housing, Semi-detached townhouses & flats	3 kVA	R 7 151.12	Excluded
Urban Residential, Freestanding homes or townhouses (LSM 7-10)	4 kVA	R 9 532.29	Excluded
Luxury Class Homes >250m ² (Airconditioning,underfloor heating,more than one electrical hot water cylinder; 60A 3ph)	6 kVA	R 14 298.43	Excluded
Non Residential per kVA	per kVA	R 2 069.38	Excluded

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012

DIREKTORAAT INGENIEURS DIENSTE DIRECTORATE ENGINEERING SERVICES

SECTION	ELECTRICITY PENALITES	2011/12	2012/13
		(including VAT)	
13	REFUSAL OF ADMITTANCE		
13	Wilfully hindering, obstructing/interfering with or refusing access to the engineer/duly authorised official in the performance of his/her duties.	R 1 200	R 1 300
14	IMPROPER USE		
14	Using electricity in a way that interferes in an improper or unsafe manner, or is calculated to interfere in a improper or unsafe manner, with the efficient supply of electricity to any other consumer.	R 1 200	R 1 300
20	RESALE OF ELECTRICITY		
20 (1)	Selling/supplying or allowing/permitting the selling/supplying of electricity to any other person/persons without permission.	R 1 200	R 1 200
20 (2) (a)	Rendering of a monthly account reflecting tariffs/charges not approved by the municipality.	R 1 200	R 1 200
25	SEALS AND LOCKS OF THE MUNICIPALITY		
25	Removing/breaking/defacing/tampering/interfering with seals/locks or any part of the electricity Distribution Equipment ; or Storing of Goods obstructing access to equipment; or being in possession of the security lock keys without authorisation.	R 1 200	R 1 500
27	PROTECTION OF ELECTRICITY DISTRIBUTION SYSTEM		
27 (1) (a)	Without consent or Way Leave - Constructing/erecting or permitting the erection of any building/structure/other object, or plant trees/vegetation, over or in a position/manner that interferes with or endangers the electricity system.	R 1 200	R 1 500
27 (1) (b)	Without consent - Excavating/opening up/removing the ground above/next to/under any part of the electricity system; or dumping anything onto/next to/under electricity distribution system.	R 1 200	R 1 500
27 (1) (c)	Without consent - Damaging/endangering/removing/destroying any part of the electricity system.	R 1 200	R 1 500
27 (1) (d)	Without consent - Abstracting/ branching off/diverting any electricity current or causing any electric current to be abstracted/branched off/diverted or consuming/using any abstracted/branched off/diverted electricity current.	R 1 200	R 1 500
27 (1) (e)	Without consent - installing any paving over the Municipality's cables without adequate sleeves having been installed.	R 1 200	R 1 500
27 (1) (f)	Excavating over the Municipality's cables without a permit.	R 1 200	R 1 500
27 (1) (g)	Excavating over the Municipality's cables with excavating or related machines.	R 1 200	R 1 500
27 (1) h	Refusing or restricting an engineer/duly authorised official from operating or maintaining equipment in the performance of his duties.	R 1 200	R 1 500
27 (2)	Failing to limit the height of trees or vegetation or the length of projecting branches in the proximity of overhead lines or provide a means of protection.	R 1 200	R 1 500

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
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DIREKTORAAT INGENIEURS DIENSTE DIRECTORATE ENGINEERING SERVICES

SECTION	ELECTRICITY PENALITES	2011/12	2012/13
		(including VAT)	
29	UNAUTHORISED CONNECTIONS		
29	Directly or indirectly connect, attempt to connect or cause or permit the connection of a new electrical installation or part of a new electrical installation to the supply mains or service connection.	R 2 000	R 2 000
30	UNAUTHORISED RECONNECTIONS		
30 (1)	Reconnecting, attempting to reconnect or causing or permitting the reconnection of the supply mains or service connection of an electrical installation that has been disconnected by the Municipality.	R 2 000	R 2 000
36	MV AND LV SWITCHGEAR AND EQUIPMENT		
36 (3)	Operating MV switchgear at the points of supply without the written authorisation of the engineer.	R 3 000	R 5 000
37	TRANSFORMER SUBSTATION ACCOMMODATION		
37 (2)	Refusing or restricting an engineer/duly authorised official from operating or maintaining equipment in the performance of his duties.	R 1 200	R 1 200
40	CONSUMER'S EMERGENCY STANDBY SUPPLY EQUIPMENT		
40	Connecting emergency standby supply equipment provided by a consumer to an installation without the prior written approval of the engineer.	R 2 000	R 2 000
51	INTERFERENCE WITH OTHER CONSUMERS		
51 (1)	Operating electrical equipment having characteristics which give rise to voltage variations, harmonic currents/voltages or unbalanced phase currents that fall outside the standards determined by NRS 048.	R 1 200	R 1 500

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

DIREKTORAAT : INGENIEURS DIENSTE /
DIRECTORATE: ENGINEERING SERVICES

Water Services	Tarief/ Tariff 2011/12 Incl. VAT	Tarief/ Tariff 2012/13 Excl Vat	BTW/ VAT	Tarief/ Tariff 2012/13 Incl. VAT
DIVERSE DIENSTE / SUNDRY SERVICES				
Water connections complete				
Contractor provided leading				
22 mm Wateraansluitings (slegs koppeling + meter)/	2 436.68	2 287.06	320.19	2 607.24
22 mm Water connections (coupling and meter only)				
Complete connection : No road crossing				
15mm complete (stopcock + watermeter + box)	3 506.76	3 291.43	460.80	3 752.23
20mm complete (stopcock + watermeter + box)	3 651.70	3 427.47	479.85	3 907.32
25mm complete (stopcock + watermeter + box)	5 276.43	4 952.43	693.34	5 645.78
40mm complete (stopcock + watermeter + box)	9 733.32	9 135.66	1 278.99	10 414.65
Complete connection : Including road crossing				
15mm complete (stopcock + watermeter + box)	14 456.24	13 568.57	1 899.60	15 468.17
20mm complete (stopcock + watermeter + box)	14 629.27	13 730.98	1 922.34	15 653.32
25mm complete (stopcock + watermeter + box)	16 225.91	15 229.58	2 132.14	17 361.72
40mm complete (stopcock + watermeter + box)	20 636.04	19 368.91	2 711.65	22 080.56
Inspection fee on all connections done by Private Contractors (excluding water deposit)	1 258.43	1 181.16	165.36	1 346.52
Water miscellaneous tariffs				
Moving of watermeter sizes up to 25mm diam. Max distance 2m.	1 043.82	979.73	137.16	1 116.89
Moving of watermeter size 40mm diam. Max distance 2m.	2 622.48	2 461.45	344.60	2 806.06
Toets van alle watermeters / Test of all water meters. Actual cost.	Actual cost			Actual cost
Hydrants Standpipes				
15mm-50mm hydrants standpipes rental/month or part of month	New	570.18	79.82	650.00
Refundable deposit per hydrant standpipe	New	7 017.54	982.46	8 000.00
Analise van watermonster / Analysis of water sample	327.64	307.52	43.05	350.58
Heraanskakeling na wanbetaling van rekening / Reconnection after disconnection due to non-payment : Normale ure / Normal hours	260.90	244.88	34.28	279.16
Na - ure / After hours	400.45	375.86	52.62	428.48
Peuter met aansluiting / Tampering with connection:				
Eerste oortreding / First offence	533.92	1 228.07	171.93	1 400.00
Tweede oortreding / Second offence	1 134.61	1 578.95	221.05	1 800.00
PLUS : die verwydering van die aansluiting (Volle aansluitingsfooi weer betaalbaar) / the removal of the connection (Full connection fee payable for reconnection)				
Vervanging van watermeters / Replacement of water meters:				
20 mm.	Actual cost.			Actual cost
25 mm.	Actual cost.			Actual cost
Sewer Connections(Installed by Developer as development requirement)				
Applicant connects to existing connection.				
100mm connection by Developer (first connection)	983.15	922.78	129.19	1 051.97
150mm connection by Developer (first connection)	1 178.66	1 106.28	154.88	1 261.16
All new sewer connections made at actual cost	Actual cost			Actual cost
Oopmaak van rioolverstopping / Clearing of block sewer:				
Owner responsible to clear private blockage by making use of private contractor				
Blockage teams only responsible for clearing municipal main sewer blockages				
Private blockages only to be cleared if health hazard occurs and clear instruction is given by Management				
Normale ure / Normal hours	397.50	373.10	52.23	425.33
Na-ure / After hours	551.20	517.35	72.43	589.78
Opsetlike foutiewe uitroep na privaat verstopping (Slegs uitroep koste) / Deliberate call out to private blockage (call out fee only)	New	482.46	67.54	550.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

**DIREKTORAAT : INGENIEURS DIENSTE /
DIRECTORATE: ENGINEERING SERVICES**

DIRECTORATE: ENGINEERING SERVICES				2011/2012	2012/13	%
SERVICES RENDERED		UNIT	COMMENTS	R		
Solid Waste Services				VAT excl		
Stellenbosch Landfill Site (Devon Valley Site)(General Waste only - NO Medical or Hazardous Waste)						
Residents of residential properties						
Disposal clean garden waste (Grass cuttings, leaves, Mix waste etc.)	Car, trailer, LDV	Must show the latest account that reflects payment for refuse removal or permit 1 tonne (load) free pm)	Free	Free		
Contractors within WC024						
Disposal of general waste (unsuitable for crusher) based on actual mass (mix waste)	per metric ton or part thereof	Waste from inside WC024.Proof of ownership of waste to be declare by user at disposal facility .(Written proof if requested)	R 125.49	R 136.16	8.50%	
Disposal of general waste (unsuitable for crusher) based on actual mass (mix waste)	per metric ton or part thereof	½ Load	New	R 72.46	8.50%	
Disposal of general waste (unsuitable for crusher) based on carrying capacity of vehicle (Mix Waste)	per metric ton or part thereof	Waste from outside WCO24.If ownership of waste cannot be declared by users , accepted as waste from outside WCO 24.(Written proof	R 355.15	R 385.34	8.50%	
Garden Services						
Disposal clean garden waste (Grass cuttings, leaves, etc.)NO OTHER WASTE	Per load	Exclusively for Garden Services working within the boundaries of the WC024. No waste will be received from outside the boundaries of WC024	Free	Only waste to be used for compost		
ALL other users of the landfill site						
Disposal of Branches for chipping	Tariff per ton or part thereof	Exclusively for Garden Services working within the boundaries of WC024 (Proof of ownership)	R 126.00	R 136.71	8.50%	
Clean Builders Rubble		No iron, plastic, wood	Free	Free		
Klapmuts Transfer Station						
Disposal of general waste/garden waste based on actual mass	per metric ton or part thereof	Waste from in WC024 boundries .Proof of ownership has to be provided on request.	R 150.00	R 162.75	8.50%	
Disposal of general waste/garden waste based on actual mass	per metric ton or part thereof	½ Load	New	R 86.25		
Disposal of general waste based on carrying capacity of vehicle	per metric ton or part thereof	Waste from outside WC024 is not accepted at Klapmuts transfer station	Not allowed	Not allowed	Not allowed	
Franschhoek Drop-off						
Residents of residential properties ONLY						
Disposal of general waste/garden waste based on actual mass	per metric ton or part thereof	½ Load	New	R 86.25		
Disposal clean garden waste (Grass cuttings, leaves, etc.)	Car, trailer, LDV	Must show the latest account or permit that reflects payment for refuse removal. ONLY green garden waste. Max 1 ton	R 150.00	R 162.75		
ALL other waste to go to Stellenbosch Landfill Site						
Special Removals						
The special removal of general waste at Households	per 1/4 load of 4 Tonne truck or part thereof + 15% admin fee	Removal of waste to be pre-arranged and will only be done on proof of payment. For residents within the urban boundaries of WC024 only. Subject to a 15% admin fee.	R58.30 + 15%	R63.26 +15%	8.50%	
The special removal of general waste at Businesses	per 240t volume or part thereof + 15% admin fee	Removal of waste to be pre-arranged and will only be done on proof of payment. For businesses within the urban boundaries of WC024 only. Subject to a 15% admin fee.	R81.62 +15%	R88.56 + 15%	8.50%	
Replacement of bin or lid or wheel or axel						
For bin age up to 5 years						
For the replacement of a complete bin or any component thereof (body, lid, wheel, axel.)	replaceme nt part	The damaged/missing part or lost bin will be replaced at cost to council plus 15% administrative fee. Lost or stolen bin must be reported to the nearest Police Station and a case number be presented to Council before replacement commences.	Cost + 15%	Cost + 15%		
Hire of 240ℓ bins						
Hire of 240t refuse bins on wheels.	Per bin per day	For the hiring of 240t bins to a third party either in or outside Stellenbosch Municipality. Subject to prior approval and availability.	R 11.66	R 12.65	8.50%	

STELLENBOSCH MUNICIPALITY

SUNDY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

DIREKTORAAT : INGENIEURS DIENSTE /
DIRECTORATE: ENGINEERING SERVICES

	SERVICES RENDERED	UNIT	COMMENTS	2011/2012	2012/13	%
				R		
	KOMPOSVERKOPE / SALE OF COMPOST					
	Grof/Coarse: Kleinhandel per m³ / Retail per m³			R 231.78	R 245.68	6.00%
	Groothandel(<500m³ p.j.)per m³ / Wholesale (<500m³ p.a.) per m³			R 161.39	R 171.08	6.00%
	Groothandel (>500m³ p.j.) per m³ -- Vooruitbestel en -betaal /			R 155.33	R 164.65	6.00%
	Departementele verbruik per m³ / Departmental use per m³			R 146.83	R 155.64	6.00%

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012

DIREKTORAAT : INGENIEURS DIENSTE DIRECTORATE: ENGINEERING SERVICES

		TOTAAL/TOTAL 2011/2012	TARIFF/TARIEF 2012/2013	BTW/VAT	TOTAAL/TOTAL 2012/2013
Nywerheidsafloop/Industrial Effluent	EFFLU	R 5.46	R 5.26	R 0.74	R 6.00
Suigtenktrekkings: per 5 000 liter of deel daarvan Clearance of septic tanks: per 5 000 liter of part thereof	CTANK	R 828.00	R 795.35	R 111.35	R 906.70
Chemical toilet disposal at designated facility	Per KI	R 40.02	R 38.42	R 5.38	R 43.80
Waste Water disposal at designated facility	Per KI	R 15.73	R 15.09	R 2.11	R 17.20

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

DIREKTORAAT: INGENIEURS DIENSTE
DIRECTORATE : ENGINEERING SERVICES

	2011/2012 Incl VAT	2012/13 Excl VAT	VAT	2012/13 Incl. VAT
SCIENTIFIC SERVICES/WETENSKPALIKE DIENSTE				
PARAMETERS				
PHYSICAL ANALYSIS				
Temperature	41.50	40.03	5.60	45.63
Ph @ 25°C	41.50	40.03	5.60	45.63
Electrical conductivity @ 25°Cms ⁻¹	41.50	40.03	5.60	45.63
Turbidity (NTU)	48.42	46.70	6.54	53.24
Suspended solids (SS)@ 105°C mg/1	103.75	100.07	14.01	114.08
Total suspended solids (TSS) 105°C mg/1	110.67	106.74	14.94	121.68
Total dissolved solids (TDS) mg/1	99.60	96.06	13.45	109.51
Inorganic dissolved solids (VSS) @600°Cmg/1	110.67	106.74	14.94	121.68
Settleable solids@ 30min in ml	41.50	40.03	5.60	45.63
Volatile organic matter percentage (%)	110.67	106.74	14.94	121.68
CHEMICAL ANALYSIS				
NITRATE (NO ⁻³) mg/1	76.09	73.38	10.27	83.66
NITRITE (NO ⁻²) mg/1	76.09	73.38	10.27	83.66
ORTHO PHOSPHATE (PO ⁻³ 4) mg/1	76.09	73.38	10.27	83.66
TOTAL PHOSPHATE (PO ⁻³ 4) mg/1	113.44	109.41	15.32	124.72
AMMONIA as N (NH3) mg/1	117.59	113.41	15.88	129.29
SULPHIDES (S) mg/1	96.84	93.40	13.08	106.47
SULPHATE (SO ⁻² 4) (total) mg/1	89.92	86.72	12.14	98.87
FREE & TOTAL residual chlorine (CL ⁻²)	62.25	60.04	8.41	68.45
CHLORIDE as C1 mg/1	67.79	65.38	9.15	74.53
PHENOLIS (C6H5OH)	207.64	200.27	28.04	228.31
COD unfiltered mg/1	131.42	126.75	17.75	144.50
COD filtered mg/1	138.34	133.42	18.68	152.10
COD dilution mg/1	138.34	133.42	18.68	152.10
PHENOLIS C6H5OH (total) mg/1	127.27	122.75	17.18	139.93
CHROMATE TEST (CHROMIUM cr6+) as Cr mg/1	413.70	399.00	55.86	454.86
CYANIDE as CN	204.74	197.47	27.65	225.11
SULPHIDES (SO ⁻² 3) mg/1	100.99	97.40	13.64	111.03
MICROBIOLOGICAL & BACTERIOLOGICAL ANALYSIS				
FAECAL COLIFORMS COUNT/100ml	107.90	104.07	14.57	118.64
E.COLI COUNT/100ml	107.90	104.07	14.57	118.64
DISTILLED WATER 1 LITRE	8.30	8.01	1.12	9.13

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

DIREKTORAAT: INGENIEURS DIENSTE
DIRECTORATE : ENGINEERING SERVICES

	2012/2013 Excl VAT	2012/2013 VAT	2012/2013 Incl VAT
ROADS & STORMWATER			
Versak randsteen (plat en skuins) per randsteen / Lowering of kerbs	331.11	46.36	377.46
Inspeksiefooi vir die oprigting van fasiliteit tekens Inspection fee for the construction of facility signs	522.45	73.14	595.60
Konstruksie van bruggies oor leiwater/stormwater kanale Construction of vehicle access over stormwater/irrigation channels	Actual Cost/Werklike koste		

DIRECTORATE ENGINEERING SERVICES

DEVELOPMENT CONTRIBUTION LEVIES IN RESPECT OF CIVIL ENGINEERING SERVICES FOR WC024

01 JULY 2012 – 30 JUNE 2013

Development Contribution Levies (DC's) for WC024, excluding Klapmuts

SERVICE	UNIT	V.A.T. Exclusive	V.A.T. Inclusive
Water	kl/day	R 12 339	R 14 067
Sewerage	kl/day	R 12 317	R 14 041
Stormwater	ha * C	R 113 854	R 129 794
Solid Waste	t/week	R 14 944	R 17 036
Roads	trips/day	R 4 088	R 4 660
Parking **	Per bay	R 105 263	R 120 000

Development Contribution Levies (DC's) for Klapmuts

(All figures reflected is VAT exclusive) Land-use	Cost per	Roads DC	Storm-water DC	Water DC	Sewer DC	Waste Water Treatment	TOTAL DC
Residential: Low Density (1-9 units/ha)	Unit	R 28 300	R 1 120	R 4 900	R 1 190	R 24 627	R 60 137
Residential: Medium-Low Density (10-24 units/ha)	Unit	R 20 756	R 1 040	R 4 550	R 1 105	R 14 776	R 42 227
Residential: Medium (25-49 units/ha)	Unit	R 20 770	R 800	R 3 500	R 850	R 7 388	R 33 308
Residential: High (50-150 units/ha)	Unit	R 20 764	R 640	R 2 800	R 680	R 4 925	R 29 809
Subsidized & Social Housing (50 units/ha)	Unit	R 9 433	R 680	R 2 975	R 723	R 6 157	R 19 968
Commercial	m ² GLA	R 434	R 14	R 57	R 13.70	R 49.25	R 568
Industrial (per m ² Coverage)	m ²	R 113	R 14	R 10	R 2.30	R 49.25	R 189
Parking**	Bay						R120 000

**** Contribution in lieu of parking provision.**

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012

DIRECTORATE : CORPORATE AND STRATEGIC SERVICES
(KAYAMANDI ECONOMIC TOURISM CORRIDOR)

Rental Category	Intervals (m ²)	Tariffs		Deposit required
		per m ²	Total	
a) Formal kiosks (shops)	0 10	40	400	400
	0 12	40	480	480
	0 12.5	40	500	500
	0 13	40	520	520
	0 13.5	40	540	540
	0 14	40	560	560
	0 14.5	40	580	580
	0 15	40	600	600
	0 15.5	40	620	620
	0 16	40	640	640
	0 17.3	40	692	692
	0 22	40	880	880
b) Internet Cafe	0 44.3	48	2125	2125
c) Restaurant	0 151.3	48	7238	7238
d) ATM's (as per negotiated agreement)	0 18.25			
e) Informal Kiosks	0 10	per day	30	0
f) Conference Facility	0 144	per day	1 000.00	500
g) Amphi Theatre		per day	1 000.00	500

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013
Applicable to services rendered from 1 July 2012.

DIREKTORAAT: BEPLANNING EN ONTWIKKELINGSDIENSTE
DIRECTORATE: PLANNING AND DEVELOPMENT SERVICES

To be read in conjunction with the Business Rules.

SERVICES RENDERED	UNIT	REMARKS			
			2011/12 incl VAT	2012/13 excl VAT	2012/13 incl VAT
TOWN PLANNING FEES STADSBEPLANNINGSFOOIE					
Departure : Section 15(i)(a)(i) / Afwyking : Artikel 15(i)(a)(i)	Erven under 200 m²	Residential erven 200 m² or less for subsidized housing / Residensiele erwe 200 m² vir gesubsidieerde behuising	Zero	Zero	Zero
	Erven up to 500 m²/Erwe tot en met 500 m²	Building line/Coverage and other Regulation departures get charged seperately - i.e. a Building line/Coverage application does not exempt applicant from other (including other departure) fees and vice versa.	126.00	119.30	136.00
	Erven from 501m² to 750m²/ Erwe vanaf 501m² tot 750m²		250.00	236.84	270.00
	Erven exceeding 750m²/ Erwe groter as 750m²		500.00	473.68	540.00
Deviation from Council Policies & By-laws	Per application per property/Per aansoek per eiendom	Per application per property / Per aansoek per eiendom	970.00	918.42	1 047.00
Temporary departures : Section 15(i)(a)(ii) / Tydelike afwykings : Artikel 15(i)(a)(ii)					
Submitted in urban areas / ingedien in stedelike gebiede	Per application per property (per use) / Per aansoek per eiendom (per gebruik)		1 800.00	1 706.14	1 945.00
Submitted in rural areas (Agricultural zoned land) / ingedien in landelike gebiede (Landbou gesoneerde eiendom)	Per application per property (per use) / Per aansoek per eiendom (per gebruik)		2 500.00	2 368.42	2 700.00
House shops	Per application per property (per use) / Per aansoek per eiendom (per gebruik)		none	131.58	150.00
Consent use / Vergunningsgebruik					
Submitted in urban areas / ingedien in stedelike gebiede	Per application per property (per use) / Per aansoek per eiendom (per gebruik)		1 800.00	1 706.14	1 945.00
Submitted in rural areas (Agricultural zoned land) / ingedien in landelike gebiede (Landbou gesoneerde eiendom)	Per application per property (per use) / Per aansoek per eiendom (per gebruik)		2 500.00	2 368.42	2 700.00
Special Developments / Spesiale Ontwikkelings	Erven up to 500 m²/Erwe tot 500 m²	Per application per property / Per aansoek per eiendom	126.00	119.30	136.00
	Erven from 501m² to 750m² Erwe vanaf 501m² tot 750m²		250.00	236.84	270.00
	Erven exceeding 750m²/Erwe groter as 750m²		500.00	473.68	540.00
Subdivision / Onderverdeling					
Up to 3 erven created		Remainder included. Public Roads and Public Open Space excluded	910.00	859.65	980.00
4 - 10 erven created			1 800.00	1 706.14	1 945.00
For every 10 erven created above the first 10		Calculated as R 1800-00 for first 10 erven + R 860 for every additional 10 erven (or part thereof) created above the first 10	860.00	859.65	980.00
Agricultural Zoned land/Landbou Gesoneerde grond	Per new unit/Per nuwe eenheid	Per additional erf created	1 800.00	1 706.14	1 945.00
Exempted subdivision (Section 23 Subdivision)					
Vrygestelde onderverdeling (Artikel 23 Onderverdeling)	Per application/Per aansoek		856.00	859.65	980.00
Amendment/cancellation of an approved subdivision plan	Per application/Per aansoek	This fee is payable in all cases if a subdivision for which an approval has been granted (irrespective of whether a general plan has been approved for the subdivision or not) is amended/cancelled.	1 460.00	1 382.46	1 576.00
Rezoning / Hersonering					
Submitted in Urban Areas/Ingedien in stedelike gebiede	Erven up to 500 m²/Erwe tot 500 m²	Per application per property / Per aansoek per eiendom	1 800.00	1 706.14	1 945.00
	Erven from 501m² to 750m² Erwe vanaf 501m² tot 750m²		2 400.00	2 271.93	2 590.00
	Erven exceeding 750m²/Erwe groter as 750m²		3 200.00	3 026.32	3 450.00
Submitted in Rural Areas (Agricultural Zoned Land)/Ingedien in Landelike Areas (Landbougesoneerde eiendom)	Per zoning created/Per sonering geskep	Per zoning created/Per sonering geskep	3 200.00	3 026.32	3 450.00
Site development plan Assessment / Terreinontwikkelingsplanoorweging					
Residential (including multiple dwellings) Residensieel (insluitend meervoudige wooneenhede)	Per application (plan/set of plans)/Per aansoek (plan/stel planne)	Per plan/set of plans. This fee is not payable if a site development plan is approved at the same time that this is imposed as a condition of approval, and the fee is paid only once if it is submitted to BDM and LUM at the same time. Combined SDP attracts	620.00	587.72	670.00
Non-residential (excluding Business/Commercial) Nie-residensieel (uitsluitend Besigheid/Komersieel)			900.00	850.88	970.00
Business/Commercial/Industrial Besigheid/Komersieel/Industrieel			1 300.00	1 228.07	1 400.00
Amendment of conditions of approval/Wysiging van goedkeuringsvoorwaardes	Per condition amended/Per voorwaarde gewysig		300.00	285.09	325.00
Amendment of Site Development Plans/Wysiging van Terreinontwikkelingsplan Amendment of HOA Constitutions&Design Manuals/Wysiging van Huiseienaarsverenigingskonstitusies & Ontwerpriglyne	Per Constitution/plan (set of plans)amended/Per konstitusie/plan (stel planne) gewysig		600.00	570.18	650.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013 Applicable to services rendered from 1 July 2012.

Extension of validity period of a LUPO approval Verlenging van geldigheidsperiode van 'n LUPO goedkeuring	Per application/Per aansoek		50% of current application fee inclusive of VAT	50% of current application fee inclusive of VAT	50% of current application fee inclusive of VAT
Amendment of approved Structure Plans Wysiging van goedgekeurde Struktuurplanne	Per application/Per aansoek		3 200.00	3 026.32	3 450.00
Removal of Restrictions Opheffing van Beperkings	Per application/Per aansoek		860.00	815.79	930.00
Zoning Certificate / Soneringertifikaat	Per erf		250.00	236.84	270.00
Business Licence/Besigheidslisensie	Per application/Per aansoek		250.00	236.84	270.00
Complexity fees/Kompleksiteitsfoole					
Heritage Impact Assessment (HIA)	Additional to basic LUPO application fees	Independent of whether an HIA/EIA and/or TIS/TIA are both required, unless a HIA and EIA are required and the HIA and EIA are combined in a single investigation report, in which case the higher of the application fee will apply.	3 100.00	2 894.74	3 300.00
Environmental Impact Assessment (EIA) :	Additional to basic LUPO application fees		3 100.00	2 894.74	3 300.00
Traffic Impact Statement (TIS) (50 – 150 peak hour trips)	Additional to basic LUPO application fees		1 250.00	1 184.21	1 350.00
Traffic Impact Assessment (TIA) (more than 150 trips)	Additional to basic LUPO application fees		3 100.00	2 894.74	3 300.00
Advertising fees					
Advertisements in the press/Advertering in die pers (removal of restrictions/opheffing van beperkings)	Basic per application/Basiese per aansoek	This is a basic advertising fee. Should the actual costs be more, the applicant is liaible for such extra costs upon receipt of a quote. Hierdie is 'n basiese adverteringsfooi.	12 000.00	10 701.75	12 200.00
Advertisements in the press/Advertering in die pers (All other advertisements/Alle ander advertering) Local weekly newspaper (per placement)/Plaaslike weeklikblad (per plasing)	Basic per placement/ Basiese per plasing	This is a basic advertising fee. Should the actual costs be more, the applicant is liaible for such extra costs upon receipt of a quote. Hierdie is 'n basiese adverteringsfooi.	6 000.00	5 358.88	6 100.00
Advertisements in the press/Advertering in die pers (All other advertisements/Alle ander advertering) Daily newspaper (per placement)/Dagblad (per plasing)	Per Quotation/Per Kwotasie		per quotation	per quotation	per quotation
Serving of notices/Geregistreerde kennisgewings	Up to 5 letters/tot 5 briewe	For every 50 letters (or part thereof) additional to the first 50 letters/Vir elke 50 briewe (of gedeelte daarvan) addisioneel tot die eerste 50 briewe	210.00	184.21	210.00
	6 to 10 letters/6 tot 10 briewe		300.00	263.16	300.00
	11 to 25 letters/11 tot 25 briewe		670.00	587.72	670.00
	26 to 50 letters/26 tot 50 briewe		1 250.00	1 096.49	1 250.00
			1 650.00	1 447.37	1 650.00
OTHER/ANDER					
Planning Advisory Committee Scrutiny fee (Aesthetics Committee)					
	Minor alterations to existing buildings < 500m²	Building plans for buildings older than 60 years or situated in the historical core Per Application	330.00	312.28	356.00
	Major alterations to existing buildings >500m² and new developments	Bouplanne vir geboue ouer as 60 jaar of geleë binne die historiese kern. Per aansoek	520.00	491.23	560.00
Appeals/Apelle	Administration cost per appeal/ Administrasiekoste per appel		620.00	587.72	670.00
Transfer Clearance fee/Oordraguitklaringsfooi	per transferable erf / per oordraagbare erf		300.00	285.09	325.00
Search Fees/Soekfoole	per 30 minutes/per 30 minute		70.00	65.79	75.00
Printing Fees :Photocopies (Afskrifte)					
A4	per copy/per kopie		3.60	3.33	3.80
A3	per copy/per kopie		8.60	8.07	9.20
A2	per copy/per kopie		38.50	36.40	41.50
A1	per copy/per kopie		53.50	50.61	57.70
A0	per copy/per kopie		63.10	59.74	68.10
Printing Fees : Computer Prints (Rekenaardrukstukke)					
A4	per copy/per kopie		3.60	3.33	3.80
A3	per copy/per kopie		8.50	8.07	9.20
A2	per copy/per kopie		38.50	36.40	41.50
A1	per copy/per kopie		53.50	50.61	57.70
A0	per copy/per kopie		63.10	59.74	68.10
Printing Fees : Colour Maps (Kleurkaarte)					
A4	per copy/per kopie		3.60	3.33	3.80
A3	per copy/per kopie		8.50	8.07	9.20
A2	per copy/per kopie		38.50	36.40	41.50
A1	per copy/per kopie		70.00	66.32	75.60
A0	per copy/per kopie		117.00	110.79	126.30
Electronic information/Elektroniese informasie	per document/per dokument		71.00	67.19	76.60
Copy of zoning scheme regulations, Spatial Development Framework or Structure Plan/ Afskrif van Soneringskema regulasies, Ruimtelikeontwikkelingsraamwerk of Struktuurplan	per document/per dokument		200.00	189.47	216.00

STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013 Applicable to services rendered from 1 July 2012.

Application for signage/Aansoek vir advertensietekens

Signs < 1m² (minimum fee)	per sign/ per teken		193.00	182.46	208.00
Signs > 1m² minimum fee plus R795/ additional m²	minimum fee plus R 795.00 per additional m² / minimum fee plus R 795.00 per addisionele m²		736.00	697.37	795.00
Sectional Title Plan/Deeltitelplan	per application/ per aansoek		275.00	260.53	297.00

BUILDING DEVELOPMENT FEES

ALL BUILDING PLAN FEES	■ Plan valid for 12 months ■ Where covered areas such as carports, patios, entertainment areas etc..are enclosed to create additional floor area the fees are charged as for new floor area.				
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MINOR BUILDING WORKS (NATIONAL BUILDING REGULATIONS)

Minor building works - Residential			390.00	368.42	420.00
Minor building works - Other than residential		Includes Cultivated tunnels	500.00	473.68	540.00

CATEGORIES

SINGLE RESIDENTIAL BUILDINGS

		Includes Double Dwellings, Second Dwellings and Outbuildings and Additions thereto.			
0 - 25m²			310.00	293.86	335.00
>25 - 50m²			725.00	684.21	780.00
>50 - 75m²			1 096.00	1 039.47	1 185.00
>75 - 100m²			1 530.00	1 447.37	1 650.00
>100 - 125m²			1 965.00	1 859.65	2 120.00
>125 - 150m²			2 430.00	2 298.25	2 620.00
>150 - 175m²			2 980.00	2 824.56	3 220.00
>175 - 200m			3 600.00	3 412.28	3 890.00
>200m²		At cost of R 2620.00 per m² VAT inclusive	>200m² x .008 x R2430.00	>200m² x .008 x R2298.25	>200m² x .008 x R2620.00

OTHER RESIDENTIAL

0 - 25m²	Minimum fee	Block of flats, Townhouses, Group housing, Single Title	510.00	482.46	550.00
>25m²		At cost of R3280.00 per m² VAT inclusive	>25 x .008 x R3036.00	>25x.008xR2877.19	>25x.008xR3280.00

OTHER RESIDENTIAL : ADDITIONS

		Block of flats, Townhouses, Group housing, Single Title	AS PER SINGLE RESIDENTIAL	AS PER SINGLE RESIDENTIAL	AS PER SINGLE RESIDENTIAL
			510.00	482.46	550.00

NON RESIDENTIAL

NON RESIDENTIAL: COMMERCIAL

		Includes shops, offices, service stations, hotels			
0 - 25m²	Minimum fee		510.00	482.46	550.00
>25m²		At cost of R3280.00 per m² VAT inclusive	>25 x .008 x R3036.00	>25x.008xR2877.19	>25x.008xR3280.00

NON RESIDENTIAL: OTHER

		Schools, Churches, Place of Education (i.e. Daycares, technicons etc.)			
0 - 25m²	Minimum fee		510.00	482.46	550.00
>25m²		At cost of R2460.00 per m² VAT inclusive	>25X.008XR2278.00	>25x.008xR2157.89	>25x.008xR2460.00

NON RESIDENTIAL: INDUSTRIAL

		Includes Factories, Warehouses, Offices in Industrial Areas			
0 - 25m²	Minimum fee		510.00	482.46	550.00
>25m²		At cost of R2460.00 per m² VAT inclusive	>25X.008XR2278.00	>25x.008xR2157.89	>25x.008xR2460.00

NON RESIDENTIAL: RURAL BUILDINGS

		Incl silos, barns, hangers etc. All farmhouses and labourers accommodation to be taken at residential rate.			
0 - 75m²	Minimum fee		510.00	482.46	550.00

INTERNAL ALTERATIONS -- ALL CATEGORIES

> 75m²		At cost of R910.00 per m² VAT inclusive	>75x.008xR840.00	>75x.008xR798.25	>75x.008xR910.00
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	Qs/Architect Estimate.	0.8% of Estimate. Minimum Fee as per category.	0.8% of Estimate.	0.8% of Estimate.	
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SKETCH PLAN FEE

Single Residential	Per application	Fee not deductible from final plan fee.	315.00	298.25	340.00
All other categories	Per application	Fee not deductible from final plan fee.	510.00	482.46	550.00

INSTALLATIONS

MAJOR HAZARD INSTALLATIONS	Per application	As prescribed by Building Development	510.00	482.46	550.00
LPG INSTALLATIONS (ALL INSTALLATIONS)	Per application	As prescribed by Building Development	510.00	482.46	550.00

MASTS

Greenfield	Per application		650.00	614.04	700.00
Roof Top	Per application		510.00	482.46	550.00
Sportsfields	Per application		510.00	482.46	550.00

PROVISIONAL AUTHORISATION

	Per application	Application for provisional authorisation to commence work before approval has been granted in terms of Section 7(1) of the Act. Applications to be in writing. Conditions apply. Not Refundable	510.00	482.46	550.00
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EXTENSION OF VALIDITY

	Per application	For consideration of extending plan validity. Extensions must be applied for prior to lapse date of the plan.	510.00	482.46	550.00
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STELLENBOSCH MUNICIPALITY

SUNDRY TARIFFS FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013 Applicable to services rendered from 1 July 2012.

REQUEST : OCCUPANCY CERTIFICATE		Where an application is received for the issuing of an occupancy certificate for an existing building where such certificate was not issued on completion of building work and prior to occupancy. Request for occupancy certificate for all buildings where	510.00	482.46	550.00
SECTIONAL TITLE PRIOR TO 1964 SCRUTINY FEE	Per application	For the consideration of plans for existing structures pre 1964 for Sectional Title purposes	970.00	921.05	1 050.00
SPECIAL EVENTS: TEMPORARY GRANDSTAND, EXHIBITIONS AND TENTS	Per application	One application per event. Maximum period of validity: 7 days.	510.00	482.46	550.00
DEMOLITIONS (ALL APPLICATIONS)	Per application		510.00	482.46	550.00
ADVERTISING FEES (PAJA)					
Advertisements in the press (Advertising where required) Local weekly newspaper (per placement) / Advertering in die pers (Advertering soos vereis) Plaaslike weeklikblad (per plasing)	Per Quotation/Per Kwotasie	Per Quotation/Per Kwotasie	per quotation	per quotation	per quotation
Serving of notices/Geregistreerde kennisgewings	Up to 5 letters/tot 5 briewe		210.00	201.75	230.00
	6 to 10 letters/6 tot 10 briewe		300.00	285.09	325.00
	11 to 25 letters/11 tot 25 briewe		670.00	635.96	725.00
	26 to 50 letters/26 tot 50 briewe		1 250.00	1 184.21	1 350.00
	For every 50 letters (or part thereof) additional to the first 50 letters/Vir elke 50 briewe (of gedeelte daarvan) addisioneel tot die eerste 50 briewe		1 650.00	1 561.40	1 780.00

TARIFF RULES BUILDING DEVELOPMENT MANAGEMENT TARIFF STRUCTURE FOR 2012/2013
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1. EFFECTIVE DATE

- 1.1 Fees are effective from 1 July 2012.
- 1.1. These tariffs replace all previous tariffs charged by the Building Development Management branch of Council.

2. METHOD OF PAYMENT

- 2.1 Fees can be paid in cash, by cheque or electronically.
- 2.2 Cheques and postal orders must be made payable to: Stellenbosch Municipality.

3. TIME OF PAYMENT

- 3.1 Fees are due on submission of the building plan application.
- 3.2 No processing of applications may commence until the fee/s is/are paid.

4. PROOF OF PAYMENT

- 4.1 A receipt must be issued to the applicant for all fees received. A copy of the receipt must be attached to the application.

5. REFUNDS

- 5.1 All fees payable are set fees and are not deposits.
- 5.2 Applications are valid for 12 months from date of payment.

6. SUBJECT TO CHANGE

- 6.1 All fees and business rules are subject to change.
- 6.2 The fees applicable at the time of submission of the application are payable.

7. EXEMPTIONS

- 7.1 The following applications are exempt from the payment of scrutiny fees:
- Applications from Central or Provincial Government for work funded by the Government and for use by Government Departments.
 - Building Plans for all buildings and structures erected for and by the Local Authority. (Plans must be submitted and approved prior to construction.)
 - All applications required to address / give effect to successful resettlement claims in terms of the Restitution of Land Rights Act, as well as in cases where land has been allocated to a successful claimant, such claimant is allowed to submit only one application (building plan), for residential development only which application(s) will be exempted from building plan fees as per normal fees.
 - Applications from Orphanages and Homes for the Aged registered under the National Welfare Act 79 of 1965.

- The Director: Planning & Development may grant or refuse applications for the exemption of some or all the applicable Building Development application fees of a particular application which are necessitated due to changes to developments made at the request of the Spatial Development Planning department of the Stellenbosch Municipality in the interests of environmental or heritage conservation.
- In cases where a successful land claimant submits a building plan for a purely non-residential development (which does not include any residential development) on land so obtained, such non-residential application is subject to all the fees applicable to any other similar application which was not obtained by way of the Restitution of Land Rights Act.
- If a successful land claimant submits a building plan for a mixed use development (which includes non-residential development) on land so obtained, such non-residential building plan gets charged the normal fees as specific for such application as if the non-residential part of the application is a separate application from the residential part of the development.

8. OTHER FEES

- 8.1 Requests for information: if information is specifically requested in terms of the "Access of Information Act," the relevant fees as prescribed in terms of that Act apply.
- 8.2 Printing fees:
- a) Printing fees are charged per page according to size. Copies will only be made in the sizes that are available at a particular office.

9. APPLICATION OF THE TARIFFS

- 9.1 Minor Building Work: As defined in the Building Regulations:
- Aviary
 - Solid fuel store not exceeding 10m² in area and 2 m in height
 - Tool shed not exceeding 10m² in area
 - Child's playhouse not exceeding 5m² in area
 - Cycle shed not exceeding 5m² in area
 - Greenhouse not exceeding 15m² in area
 - Open sided car, caravan or boat shelter or a carport where such shelter or carport does not exceed 40m² in area
 - Any pergola
 - Private swimming pool
 - Change room, not exceeding 10m² in area, at a private swimming pool
 - Lapas and gazebos (with any type of roof covering) under 40m² in area
 - Any free-standing wall where such wall does not exceed 2.1 m in height: max length 120 m thereafter at 0.8% of the estimated value
 - Permits valid for 6 months
 - Each item charged for separately even if part of a full plan submission.
 - Reconstruction of fire and natural disaster damaged buildings at applicable rate as per single/other/non-residential categories

9.2 Applications for Alterations and Additions: Plans will be assessed as follows:

- Additions: assessed on the area (square metres) per category
- Alterations: assessed on the QS/Architect estimated value and calculated at 0.8% of the value

9.3 Applications for Provisional Authorisation to Commence with the erection of a Building:

Applications for provisional authorisation to proceed with the erection of a building prior to final building plan approval will be considered on condition that:

- The application has been formally submitted (the full scrutiny fees paid) and the plans have been circulated to the applicable service branches.
- The application for provisional authority is in writing and is fully motivated.
- The prescribed provisional authority fee is paid. This fee is not refundable.
- The application is for specific items of work clearly defined on the working drawings accompanying the building plan submission.
- The architectural area of the building under consideration (as defined in Section 1 of Act 103 of 1977) is greater than 500 square metres.
- Full Planning (Zoning) approval has been obtained.
- The property must be not encumbered by private restrictive title deed conditions.
- Any work done prior to the approval the building plans is entirely at the applicants risk and should the plans require amendments or should the application be refused for any reason the work already completed will have to altered or removed as the case may be at the applicant's expense.

These tariff rules must be read in conjunction with the "BUILDING DEVELOPMENT MANAGEMENT TARIFF STRUCTURE FOR 2012/2013."

TARIFF RULES LAND USE MANAGEMENT TARIFF STRUCTURE FOR 2012/2013
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1 GENERAL

Period applicable

- 1.1 Fees effective from 1 July 2012.
- 1.2 The fees replace all previous fees charged by Council.

Method of payment

- 1.3 Fees can be paid in cash, by cheque, electronically or postal order.
- 1.4 Cheques and postal orders must be made payable to: Stellenbosch Municipality.

Time of payment

- 1.5 Applicants must pay the fee/s when application/s is/are submitted, except in the case if Impact statements and assessments, which become payable when the need for such an Impact statement / assessment becomes known to Council, if it is not evident when the application is submitted. The applicant must then be notified in writing of further payments and processing of the application may then only commence once payment is made which must be clearly stipulated in the notification.
- 1.6 No processing of applications may commence until the fee/s is/are paid.
- 1.7 All application fees are payable in the case of multiple applications.

Proof of payment

- 1.8 A receipt must be issued to the applicant for all fees received. A copy of the receipt must be filed on the relevant file.

Refunds

- 1.9 All fees payable are set fees and not deposits.
- 1.10 In the case of the withdrawal of applications, refunds will be paid as follows:
 - a) Before advertising takes place – the full advertising component/fee and 50% of the total of all the other application fees is refunded.
 - b) After advertising has taken place – no refund.
- 1.11 If an exemption or reduction of fees is granted in terms of the provisions of paragraph 2.27, refunds will be given as per the decision.

Subject to change

- 1.12 All fees and business rules are subject to change.
- 1.13 The specific fee applicable at the time when the application is accepted by Council, is payable.

2 APPLICATION FEES

Description

- 2.1 Application fees are the minimum fee payable for submitted applications.
- 2.2 All fees are payable per item applied for (each consent, departure, rezoning, etc, as well as departures from building lines, coverage, height, etc, charged separately) per property, subject to the provisions in 2.3. Amendment of conditions of approval is charged per condition amended and site development / sketch plans are charged per plan (or set of plans) submitted or amended.

Departure (Regulations) fee

- 2.3 The departure fee must be charged for each type of departure separately, i.e. if a building departs from the street and lateral building lines, coverage as well as from height, then the applicable fee must be charged for the building lines, coverage and height separately. In the case of residential erven 200m² or less, as well as subsidised housing schemes, no departure fee at all would be required.
- 2.4 Consents, temporary departures, rezonings, etc for properties are charged separately and in addition to any departures (regulations) applied for.
- 2.5 Deviation from Council Policies and By-laws are charged per application per property.

Temporary departure

- 2.6 This fee is payable in respect of each temporary departure application per property applied for. There is a distinction made between applications submitted within urban areas and those submitted in rural areas. Rural areas are clarified by the fact that it refers to Agricultural zoned land. Application fees are further payable in respect of each use applied for.
- 2.6.1 A separate fee is applicable in respect of applications for temporary departure in order to establish a house shop.

Special development

- 2.7 An application fee is charged in respect of each application per property applied for. A sliding scale applicable to the size of the application property is relevant to all applications (the larger the property, the higher the fee that becomes applicable). Application fees are further payable in respect of each use applied for.

Consent use

- 2.8 This fee is payable in respect of each application for consent use per property applied for. There is a distinction made between applications submitted within urban areas and those submitted in rural areas. Rural areas are clarified by the fact that it refers to Agricultural zoned land. Application fees are further payable in respect of each use applied for.

Subdivision

- 2.9 The number of erven include the remainder ("parent erf") i.e. if an erf is subdivided into two portions (the remainder and the new erf), this is counted as two erven. Public roads and public open spaces are excluded from the calculation.

- 2.10 When a property is subdivided into 8 erven, then only the application fee applicable to 4-10 erven created is payable.
- 2.11 In the event of a property being subdivided into 23 erven the calculation will be as follows : R1945.00 in respect of the first 10 erven created, plus R 980 for every additional 10 erven (or part thereof) created above the first 10, which would amount to a total of R 3905-00.
- 2.12 Agricultural Zoned land will be charged per new unit/portion created.

Exempted subdivision (Section 23)

- 2.13 This payable for subdivisions exempted in terms of Section 23 of the Land Use Planning Ordinance, 15 of 1985. This fee is payable per application.

Amendment/cancellation of an approved subdivision plan

- 2.14 This fee is payable in all cases if a subdivision for which an approval has already been granted (irrespective of whether a general plan has been approved for the subdivision or not) is amended/cancelled.

Rezoning

- 2.15 This fee is payable in respect of each application for rezoning per property applied for. There is a distinction made between applications submitted within urban areas and those submitted in rural areas. Rural areas are clarified by the fact that it refers to Agricultural zoned land. A sliding scale applicable to the size of the application property is relevant to all applications within the urban areas (the larger the property, the higher the fee that becomes applicable). Rural areas are charged for each new zone/zoning created.

Site development plan / Sketch plan fee

- 2.16 If a single Site development plan or Sketch plan is made up of a set of more than one plan, the applicable fee is charged for a single Site development plan or Sketch plan only. A Site development plan or Sketch plan fee is not payable if a site development plan or Sketch plan is approved at the same time that it is imposed as a condition of approval.

Amendment of conditions of approval/Site development plan/HOA Constitution & Design Manuals

- 2.17 This fee is payable per condition or plan or set of plans, constitution or design manual amended.

Extension of validity period of a LUPO approval

- 2.18 Fees should be paid as depicted on the tariff schedule. For all applications for extension the fee will be 50% of the current application fee, for the financial year in which the application for extension is submitted, inclusive of VAT.

Amendment of approved Structure Plans

- 2.19 This fee is payable in respect of each application where an approved Structure Plan has to be amended.

Removal of restrictions fee

- 2.20 This fee is payable only in respect of the applications for the removal of restrictive title deed conditions.

Zoning Certificate

- 2.21 This fee is payable when a formal zoning certificate is issued. Payment of this fee is required in respect of each erf for which a zoning certificate is requested.

Business Licence

- 2.22 This fee is payable in respect of each application received for the issuing of a business licence.

Exemptions

- 2.23 All applications submitted by or on behalf of Council are exempt from all the application, advertising and other fees in the attached table. This exemption only applies to applications made by Council or where Council is the developer. All other government institutions must pay the normal fees.
- 2.24 Applications for the establishment of state, provincial and/or council subsidised housing schemes are exempt from all the application and other fees in the attached table. Advertising fees are payable in this regard. Application fees are, however applicable in subsidized housing areas after the establishment of the areas has been completed; subject to the conditions in the establishment of any of the less formal townships.
- 2.25 All applications required to address / give effect to successful resettlement claims in terms of the Restitution of Land Rights Act, as well as in cases where land has been allocated to a successful claimant, such claimant is allowed to submit only one application, for residential development only (but including subdivision, removal of restrictions, etc, related to such residential development), which application(s) are exempt from all the application and other fees in the attached table. Advertising fees are payable in this regard. If a successful land claimant submits a mixed use development application (which includes non-residential development) on land so obtained, such non-residential development gets charged the normal fees as specified for such application, including advertising and service of notice fees, as if the non-residential part of the application is a separate application from the residential part of the development. In cases where a successful land claimant submits a purely non-residential development application (which does not includes any residential development) on land so obtained, such non-residential development application is subject to all the fees applicable to any other similar application which wasn't obtained by way of the Restitution of Land Rights Act.
- 2.26 The above fees, if not specifically exempted, also applies to applications in the BCDA areas where Council is the commenting authority.
- 2.27 The Director : Planning & Development may grant or refuse applications for the exemption of some or all the applicable fees of particular applications which are necessitated due to changes to the developments made at the request of the Environmental Management Services in the interest of environmental or heritage conservation.

3 ADDITIONAL FEES FOR HIGH IMPACT APPLICATIONS

Description

- 3.1 Additional fees are charged on top of the basic application fees when a Heritage Impact Assessment (HIA), Environmental Impact Assessment (EIA) and Traffic Impact Statement / Assessment (TIA/S) are required, since such applications are more complex and involve more work. The complexity fees are charged to cover additional expenses due to the processing of complex applications, resulting from the fact that such applications normally are more complicated to process and due to the fact that it requires input from specialised staff which would not normally be involved in the assessment of applications which doesn't require an impact statement/assessment. The EIA and HIA fees are charged up front like all other fees if the application requires assessment in terms of the NEMA and/or NHRA. The regulations promulgated in terms of Chapter 5 of NEMA distinguish between listed activities subject to "Basic Assessments" and listed activities subject to "Scoping and Environmental Impact Assessment". NEMA therefore separated listed activities into two groups and stipulates different assessments for each group based on difference in scale, predictability and risk impacts. The complexity of assessing the listed activities within these two groups will therefore differ and it is considered appropriate that this approach also be reflected in the Land Use Management fees structure. See the fees table in this regard. If an EIA and/or HIA fee has been paid when the LUPO application was submitted and it turns out in the end that it did not lead to a full EIA / HIA, the EIA/HIA fee is not refundable.
- 3.2 The difference between a Traffic Impact Statement (TIS) and a Traffic Impact Assessment (TIA) is that the TIS complexity fee becomes payable if the application/s applied for will result in 50 to 150 peak hour trips being generated (calculated in terms of the Department of Transport SA Trip Generation Rates) while the TIA complexity fee becomes payable if the application/s applied for will result in more than 150 peak hour trips being generated (calculated in terms of the Department of Transport SA Trip Generation Rates) – consult with your in-house traffic specialist in this regard.

Multiple impact statements / assessments

- 3.3 When both a HIA and EIA are required and the HIA and EIA are combined in a single investigation / report, only one additional complexity fee (the higher of the applicable fees) is payable.
- 3.4 The impact statement / assessment fees described above are charged per application. If an applicant for instance submits an application which includes a subdivision, rezoning and departure, the relevant high impact fees will be charged only once (not 3 times).
- 3.5 In all cases except for 3.3 and 3.4 above, the complexity fees for a HIA, EIA and TIS/TIA are charged separately.

4 ADVERTISING FEES

Advertising framework

- 4.1 Advertising: is required in terms of the Stellenbosch Public Participation Policy (A component of the public participation process for land use and development applications), Land Use Planning Ordinance, Removal of Restrictions Act and Western Cape Planning and Development Act.

- 4.2 Advertising will be done in accordance with the Public Participation Policy (A component of the public participation process for land use and development applications) and fees will be charged accordingly.
- 4.3 Advertising in the press and advertising which consists of the serving of notices to interested and affected parties are charged independently (with different fees being applicable). No 'serving of notice' fee is applicable when notifying the applicant of the outcome of an application or notifying any objectors of any of the rights of appeal.

Advertising in the press

- 4.4 The fee for advertising in the press is applicable whenever press advertising is required in a local weekly newspaper or daily newspaper and Provincial Gazette.
- 4.5 Advertising in the press is a basic advertising fee. Should the actual costs be more, the applicant is liable for such extra costs upon receipt of a quote.
- 4.6 Composite applications for the same property when advertised collectively in the press carry a single advertising fee. If this composite application includes the advertising of a Removal of restrictions application, then the higher advertising fee for the Removal of restrictions shall be charged.

Serving of notices

- 4.7 The fee for serving of notices is payable when Council conducts the serving of notices. This fee is not applicable when the applicant conducts the advertising.
- 4.8 The fee applicable for different amounts of notices requiring to be served by Council is as follows:
1-5 notices: R210
6-10 notices: R300
11-25 notices: R670
26-50 notices: R1250 and
R1650 additional for each 50 notices (or part thereof) additional to the first 50 notices.
- 4.9 The 'serving of notices' fee is also applicable when notices are delivered by Council to interested and affected parties.

5 OTHER FEES

- 5.1 Planning Advisory Committee Scrutiny fees (Aesthetics Committee) are charged when a matter needs to be submitted to the Planning Advisory Committee (Heritage/Aesthetics Committee) for scrutiny, when buildings are older than 60 years or situated in the historical core. The fees are payable per application and are categorized as follows :
- 5.1.1 Minor alterations to existing buildings <500m²;
- 5.1.2 Major alterations to existing buildings >500m² and new developments.
- 5.2 Appeal fees are charged and are payable by each party submitting an appeal in respect of any decision taken by Council.
- 5.3 Transfer clearance fees are payable per erf for which application is made for clearance in terms of Section 31 of the Land Use Planning Ordinance, 15 of 1985.

- 5.4 Search fees are charged per half hour when the requested information takes 30 minutes or more to find or produce. If information is specifically requested in terms of the Access of Information Act, the relevant fees as prescribed in terms of that Act applies.
- 5.5 Printing fees:
- a) Printing fees are charged per page according to size. Copies will only be made in the sizes that are available at a particular office.
 - b) The fees charged for electronic information does not include the CD, which must be supplied by the applicant.
- 5.6 Application fees for signage are paid in respect of each sign applied for. A minimum fee for signs smaller than 1m² is in place, but when signs are larger than 1m², the minimum fee plus R736 will be payable for every additional m².
- 5.7 A standard fee is charged for Sectional Title plans.

These business rules must be read in conjunction with the "LAND USE MANAGEMENT TARIFF STRUCTURE FOR 2012/2013". Enquiries: Ilze Couvaras Tel : 021 808 8604
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STELLENBOSCH

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TARIFF STRUCTURE: PROPERTY MANAGEMENT 2012/13 FINANCIAL YEAR

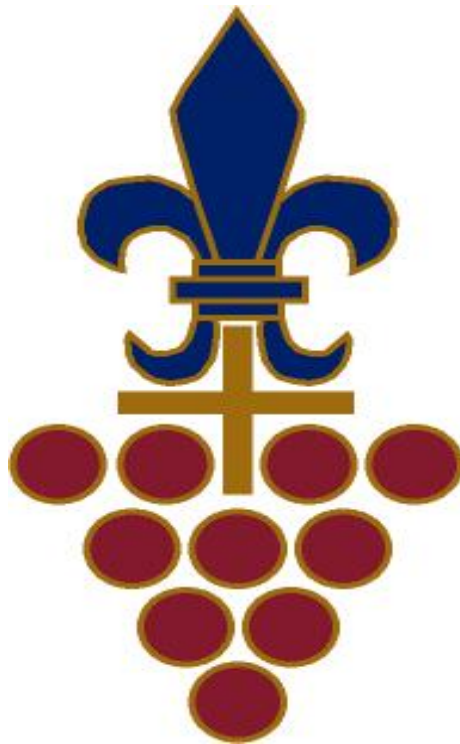
Description	Application Fee	Rental
1. Encroachment Agreements / permits		
1.1. For commercial purposes, other than outdoor dining and parking purposes	R 2 250 – 00	To be determined by independent valuer: on an <i>ad hoc</i> basis
1.2. For commercial parking purposes -Stellenbosch CBD* ± Technopark -Franschoek CBD* -Other areas *CBD will be the historic cores	R 1 100 – 00	R230 – 00 / parking bay / month R250 – 00 / parking bay / month R115 – 00 / parking bay / month
1.3. For residential parking purposes	R 550 – 00	R115 – 00 / parking bay / month
1.4. For outdoor dining purposes -Stellenbosch CBD* -Stellenbosch: other -Franschoek CBD -Other areas * Between Pleinstreet and Dorpsstreet, east of Millstreet and west of Drosdaystreet	R 1 100 – 00	R85 / m ² / month R50 / m ² / month R95 / m ² / month R25 / m ² / month
1.5. For non – commercial purposes (such as garden purposes, gates, ect.)	R 550 – 00	The same tariff per m ² payable by applicant in relation to his / her own property (land value), with a minimum monthly fee of R50.00
1.6. Projections and projecting structures - Onto street reserves/side walks - Onto other council – owned property, where such projection has an impact on development value of council – owned property.	R 1 100 – 00 R 2 250 – 00	Once off payment equal to 15% of land value of applicant (municipal valuation /m ²) To be determined by an independent valuer (should the estimated value be more than R100 000 – 00, then the weighed average of 2 independent valuations must be obtained)
1.7. For temporary use of Council-owned property for construction work Stellenbosch CBD & Technopark Franschoek CBD Other areas Deposit: An amount to be determined in relation to the potential risk to infrastructure/improvement with a minimum amount of R1000 - 00	R 3 000 – 00 R 2 000 – 00 R 500 – 00	The same tariff per m ² payable by applicant in relation to his / her own property (land value), with a minimum monthly fee of R250.00

2. Lease Agreements*		
2.1. Temporary use of Council-owned property to a maximum of 30 days Daily tariff: a) Up to 100m ² b) Between 100m ² and 1000m ² c) More than 1000m ² Deposit	R 525 – 00	R200 per day R500 per day R1000 per day To be determined MPM depending on the possible risk associated with the event.
2.2. Short term lease agreements (up to 10 years) - monthly rental not exceeding R 2 000 – 00 - monthly rental not exceeding R 5 000 – 00 - monthly rental in excess of R 5 000 -00	R 530 – 00	To be determined by CFO To be determined by an independent valuer To be determined by two independent valuers (weighed average)
2.3. Long term lease agreements (longer than 10 years) - monthly rental not exceeding R 2 000 – 00 - monthly rental not exceeding R 10 000 - 00 - monthly rental in excess of R 10 000 - 00	R1 060 – 00	To be determined by CFO To be determined by an independent valuer To be determined by two independent valuers (weighed average)
2.4. Telecommunication structures - Antennae only (on existing structure) - Site for mast and antennae -up to 100m ² -more than 100m ²	R1 100 – 00 R1 600 – 00 R 2 000 – 00	R3 000 – 00 / month R4 000 / month R4 000 / month plus R40 – 00 / m ² / month for each m ² more than 100m ²
* Please Note: - - All contracts with an annual contract value exceeding R1M: To be approved by Council, based on 2 independent valuations being obtained - Non – profit organizations : 20% of fair market value		
3. Servitudes*		
3.1. In urban areas	R 1 100 – 00	Once –off payment of 80% of municipal valuation of land
3.2 In rural area	R 1 100 – 00	Once – off payment of 60% of municipal valuation of land.

* Please note: Where estimated servitude value exceeds R100 000 – 00, the fair market value is to be determined by an independent valuer. Where estimated servitude value exceeds R1M, the fair market value is to be determined by two independent valuers (weighed average)		
4. Way leaves		
4.1 Application fee	R 2 000 – 00	
4.2 Deposit		To be determined by the MPM, having considered the possible risk associated with the application.
5. Posters		
5.1. Political parties. Deposit	R 500 – 00	R 5 000 – 00
5.2. Commercial purposes Deposit	R 600 – 00 *	R 500 – 00
5.3. Non - commercial purposes Deposit	R 250 – 00 *	R 500 - 00
* In addition to the above, an additional admin fee of R2-00 per additional poster is payable where the number of posters exceeds 50.		
6. Informal Traders permits		
6.1 Category A* sites		
Daily tariff: Residents		R 30 – 00
Non-residents		R 45 – 00
Weekly tariff: Residents		R 140 – 00
Non-residents		R 200 – 00
Monthly tariff: Residents		R 500 – 00
Non-residents		R 750 – 00
Annual tariff: Residents		R 5 000 – 00
Non-residents		R 8 000 – 00
Daily tariff: Week-ends only: Residents		R 40 – 00
Non-residents		R 55 – 00
6.2 Category B* Sites		
Daily tariff: Residents		R 15 – 00
Non-residents		R 20 – 00
Weekly tariff: Residents		R 75 – 00
Non-residents		R 100 – 00
Monthly tariff: Residents		R 150 – 00
Non-residents		R 200 – 00
Annual tariff: Residents		R 1 500 – 00
Non-residents		R 2 000 – 00
Daily tariff: Week-ends only: Residents		R 25 – 00
Non-residents		R 30 – 00

6.3 Festivals Where entire demarcated area is made available to organizers: Daily tariff *Category A: Bergsig, Meulplein, Stelmark, Die Braak and Franschhoek Town Hall Category B: All other sites Please note: - a) Application fees listed in this tariff structure exclude professional fees such as legal fees, valuation fees, surveying costs, publication of notices, etc. Where such costs are incurred, the Applicant will be responsible for such costs, over and above the application fee. b) All fees include VAT.	R 500 – 00 R 500 - 00	R 1 000 – 00 R 250 – 00
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STELLENBOSCH MUNICIPALITY



FUNDING AND RESERVES POLICY

DRAFT
2012/2013

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1. Application and Scope

This policy is mandated by Section 8 of the Local Government: Municipal Budget and Reporting Regulations which is made in terms of section 168 of the Municipal Finance Management Act, 2003 (Act no.56 of 2003). This Funding and Reserves Policy is applicable to Stellenbosch Municipality.

2. Objectives of Policy

- i. To ensure the operating and capital budgets of council are appropriately funded.
- ii. To ensure that provisions and reserves are maintained at the required levels to avoid future year unfunded liabilities

3. Introduction

The funding of the operating and capital budgets is done on an annual basis for a three year period. The budget must be balanced both from an accounting as well as a cash perspective. The impact of movements in the Statement of financial Position is taken into account when considering the balancing of the budget.

4. Projected billings, collections and direct revenue

These projections are prepared in accordance to the following annual approved council policies:

- 4.1 The Rates Policy which sets out the manner in which the municipality may impose rates on property.
- 4.2 The Tariff Policy which guides the annual setting (or revision) of tariffs. The policy is applicable to all tariffs for electricity, water, sanitation and solid waste services provided by the municipality. This policy is also applicable to all sundry tariffs.

5. Funding sources for operating and capital budget

5.1 Operating Budget

The operating budget shall be financed from the following sources:

- a) Service Charges
 - (i) Electricity Charges
 - (ii) Water Sales
 - (iii) Refuse Removal Fees
 - (iv) Sewerage Fees

b) Property Taxes

Increases in tariffs and rates will be based on actual billed revenue and as far as possible be limited to inflation plus an additional percentage increase to accommodate the growth of the town and more importantly to remain affordable and realistic. Detailed information can be found in the Tariff Policy.

c) Grants & Subsidies

Grants and subsidies shall be based on all the gazetted grants and subsidies plus all other subsidies received by the organization.

d) Rental Fees

Fees for rental property will be budgeted for based on the percentage growth rate as determined by Financial Services for a particular budget year

e) Fines

Fees for fines will be budgeted for based on the actual income received in the preceding year and the percentage growth rate as determined by Financial Services for a particular budget year

f) Other Income

All other income items will be budgeted for based on the actual income received in the preceding year and the percentage growth rate as determined by Financial Services for a particular budget year

5.2 Capital Budget

Own Funding Sources

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets.

Other Funding Sources

The capital budget shall also be financed from external sources such as the following:

- a) Grants and subsidies as allocated in the annual Division of Revenue of Act.
- b) Grants and subsidies as allocated by Provincial government.
- c) External Loans
- d) Private Contributions
- e) Contributions from the Capital Development Fund (developer's contributions) and,
- f) Any other financing source secured by the local authority.

6. Provision for revenue that will not be collected

The municipality makes provision in the operational expenditure budget for revenue that will not be collected in the budget year. This provision that will be made must be based on past trends and payment rates. More detail can be found in the Accounting Policy of the municipality.

7. The funds the municipality can expect to receive from investment.

The municipality makes provision in the operational revenue budget for revenue that will be realized on investment. The interest received on investment will be budgeted for in the revenue budget. This forecast will be based on projected interest rates and projected investments for the period.

8. Proceeds from transfer or disposal of assets

The proceeds from transfer or disposal of assets will be budgeted in the operational revenue budget.

9. Borrowing requirement

The affordability of loans over the Medium Term Revenue and Expenditure Framework (MTREF) period should be determined before external loans are considered. Capital costs (interest and redemption payments) should be within the acceptable norms and in terms of the Borrowing Policy.

10. Capital Replacement Reserve (CRR)

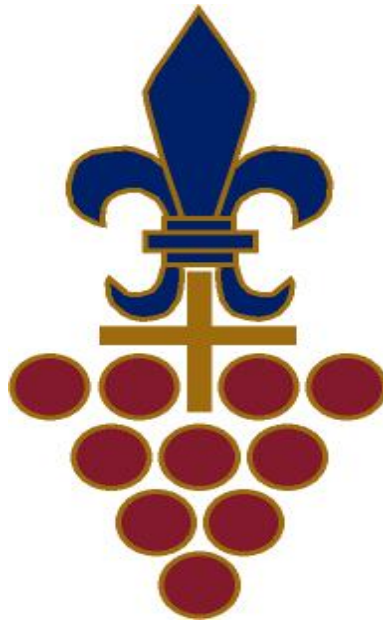
Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets.

Such reserve shall be established from the following sources of revenue:

- a) Un-appropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
- b) Interest on the investments of the CRR, appropriated in terms of the investments policy;

- c) Additional amounts appropriated as contributions in each annual or adjustments budget and;
- d) Before any asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed;
- e) If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash;
- f) Transfers to the CRR must be budgeted for in the cash budget.

STELLENBOSCH MUNICIPALITY



BORROWING POLICY

DRAFT
2012/2013

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ANNEXURES

1. LOCAL GOVERNMENT MUNICIPAL FINANCE MANAGEMENT ACT,
NO 56 OF 2003
2. MUNICIPAL FINANCE MANAGEMENT ACT; MUNICIPAL REGULATIONS
ON DEBT DISCLOSURE

1.PURPOSE

To establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds.

2.OBJECTIVES

Manage interest rate and credit risk exposure. Maintain debt within specified limits and ensure adequate provision for the repayment of debt. To ensure compliance with all Legislation and Council policy governing borrowing of funds.

3.DEFINITIONS

“Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“municipal debt” means –

- (a) a monetary liability or obligation on a municipality or municipal entity created by-
 - (i) a financing agreement, note, debenture, bond or overdraft; or
 - (ii) the issuance of municipal debt instruments; or
- i. a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

“borrower” will be the Stellenbosch Municipality

“lender”, in relation to a municipality or municipal entity, means a person who provides debt finance to a municipality or municipal entity;

“short-term debt”, in relation to a municipality or municipal entity, means debt that is repayable over a period not exceeding one year;

“long-term debt”, in relation to a municipality or municipal entity, means debt repayable by the municipality or municipal entity over a period exceeding one year;

“security”, in relation to a municipality or municipal entity, means any mechanism intended to secure the interest of a lender or investor, and includes any of the mechanisms mentioned in section 48(2) of the Act

“financing agreement” includes any loan agreement, lease, instalment, purchase contract or a hire purchase arrangement under which a Council undertakes to repay a long-term debt over a period.

4.SCOPE OF THE POLICY

Risk Management: The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure.

Cost of Borrowings: The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation.

Prudence: Borrowings shall be made with care, skill, prudence and diligence. The standard of prudence to be used shall be the “prudent person” standard and shall be applied in the context of managing overall debt.

Officials are required to adhere to:

- a) written procedures and these guidelines
- b) exercise due diligence
- c) prepare all reports timeously
- d) ensure strict compliance with all Legislation and Council policy

5.LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY

The relevant legislation and regulations in terms of which borrowing decisions are governed is the Local Government Municipal Finance Management Act, No 56 of 2003.

6.CONSIDERATIONS

The Municipality from time to time, will use certain of its surplus funds to fund its Capital programme. The utilisation of surplus funds enables the Municipality to reduce its reliance on external debt financing, thereby allowing it to borrow only funds from external sources when favourable market conditions prevail.

6.1 Factors to be considered when borrowing:

- the type and extent of benefits to be obtained from the borrowing.
- the length of time the benefits will be received.
- the beneficiaries of the acquisition or development.
- the impact of interest and redemption payments on both current and forecasted property tax income.
- the current and future capacity of the property tax base to pay for borrowings and the rate of growth of the property tax base.
- likely movements in interest rates for variable rate borrowings.
- other current and projected sources of funds.
- competing demands for funds.
- timing of money market interest rate movements and the long term rates on the interest rate curve.

- The Municipality will, in general, seek to minimise its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges.
- The Municipality may only borrow funds, in terms of the Municipal Finance Management Act, for the purpose of acquiring assets, improving facilities or infrastructure to provide service delivery.

6.2 Potential lenders include:

- The Development Bank of Southern Africa
- Registered Banks in Southern Africa

7.DEBT REPAYMENT PERIOD

Whilst the period for which loan debt may be received will vary from time to time according to the requirements of the various Lenders, presently the typical debt repayment period for loans in the current economic climate is between 10 to 15 years. Cognisance is taken of the useful lives of the underlying assets to be financed by the debt, and, moreover, careful consideration is taken of the interest rates on the interest yield curve. Should it be established that it is cost effective to borrow the funds on a shorter duration (as opposed to the life of the asset) as indicated by the interest yield curve, the loan will be negotiated to optimise the most favourable and cost effective benefit to the Municipality.

8.SECURITY

The Municipal Finance Management Act provides that the Municipality may provide security for any of its debt obligations, including the giving of a lien, pledging, mortgaging or ceding an asset, or giving any other form of collateral. It may cede as security any category of revenue or rights of future revenue. Some Lenders may require the Municipality to agree to restrictions on debt that the Municipality may incur in future until the secured debt is settled.

9.OVERDRAFT

Stellenbosch Municipality has a bank overdraft facility. However, due to its sound financial position, this facility is not utilised.

10.SHORT TERM DEBT

The Municipal Finance Management Act provides that the Municipality may incur short term debt only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or capital needs within a financial year, to be repaid

from specific funds to be received from enforceable allocations or long term debt commitments.

The Municipality must pay off short term debt within the same financial year and may not renew or refinance its short term debt. The Municipality may, in terms of the Municipal Finance Management Act, incur short term debt only if the Chief Financial Officer has made a prior written finding that the debt is either within prudential limits on short term debt as previously approved by Municipality, or is necessary due to an emergency that could not reasonably have been foreseen and cannot await Council approval.

The Stellenbosch Municipality is in the fortunate position that due to its sound financial position it is not necessary to raise any short term loans.

11.DISCLOSURE

Any official involved in the securing of loans by the Municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective Investor disclose all relevant information that may be requested or that may be material to the decision of the prospective Lender or Investor. Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

12.APPROVAL OF LOANS BY THE MUNICIPALITY

Section 46 of the Municipal Finance Management Act stipulates that the Municipality may incur long-term debt only if a resolution of the Council, signed by the mayor, has approved the debt agreement and the Accounting Officer has signed the agreement or other document which acknowledges the debt. At least 21 days prior to the meeting of the Council at which approval for the debt is to be considered, the Municipality must make public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided. The Public, the National Treasury and Provincial Treasury must be invited to submit written comments or representations to the council in respect of the proposed debt. A copy of the information statement must be submitted to Council at least 21 days prior to the meeting to discuss the proposed loan, together with particulars of –

- i. the essential repayment terms, including the anticipated debt repayment schedule; and
- ii. the anticipated total cost in connection with such debt over the repayment period.

13.PROVISION FOR REDEMPTION OF LOANS

Stellenbosch Municipality may borrow from Institutions and set up sinking funds to facilitate loan repayments, especially when the repayment is to be met by a bullet payment on the maturity date of the loan. These sinking funds may also be invested directly with the Lender's Bank. The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is

to be repaid. Use can also be made of guaranteed endowment policies to facilitate the payment on maturity date.

14. NON-REPAYMENT OR NON-SERVICING OF LOAN

Stellenbosch Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable costs of borrowing. In addition to the timeous payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements.

15. PROHIBITED BORROWING PRACTICES

In the past some Municipalities have borrowed funds with the sole purpose of investing them to earn a return. The motive was clearly speculative. The cost of debt is almost always more expensive than the return that the Municipality can derive by investing in permitted investments. Consequently, as a principle, Stellenbosch Municipality does not borrow for investment purposes, but depending on the shape of the interest yield curve may borrow in advance of its capital cash flow needs in a given financial year to take advantage of an inverse interest yield curve. Foreign Borrowing is permitted in terms of section 47 of the Municipal Finance Management Act, whereby the debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

16. INTERNAL CONTROL

The internal control procedures involve Internal Audit and Performance Management, and the Auditor General reviewing and testing the systems of the Finance Department on a regular basis. In order to prevent losses arising from fraud, misrepresentations, error, conflict of interest or imprudent action, a system of internal controls governs the administration and management of the portfolio.

Controls deemed most important include:-

- Control of collusion, separation of duties.
- Custodial safekeeping of loan agreements and contracts.
- Clear delegation of duties.
- Checking and verification by senior officials of all transactions.
- Documentation of transactions and repayments.
- Code of ethics and standards.
- Electronic Funds Transfer limits and a detailed procedure manual for the system.

17. NATIONAL TREASURY REPORTING AND MONITORING REQUIREMENTS

The Municipality submits numerous returns to National Treasury. It is mainly coordinated by the Accounting Division. One such report deals with the Municipality's external interest paid each month. Another return, prepared on a quarterly basis, requires the Municipality to itemise all its external borrowings for the quarter ended.

18.OTHER REPORTING AND MONITORING REQUIREMENTS

Regular reporting mechanisms are in place in order to access the borrowings portfolio and to ensure compliance with policy objectives, guidelines and applicable laws.

Quarterly activities:

- National Treasury Borrowings return

General:-

- Report actual borrowings (in compliance with Section 71 of the Municipal Finance Management Act) to the mayor and Provincial Treasury

Annually:-

- Preparation of Annual Budget
- Preparation of Annual Cash Flow Forecast
- Preparation of Annual Financial Statements
- Confirmation of Lender balances at financial year end obtaining written certification of loan balances at year end
- Completion of credit rating questionnaire
- Regular reviews by Auditor General

19.POLICY REVIEW

The CFO will for the purposes of ensuring that this policy is aligned to the legislation, consider if and when necessary to amend the policy. In the event of the policy not being amended during the budget process, the approved policy will remain applicable.

ANNEXURES

EXTRACTS FROM THE LOCAL GOVERNMENT MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003 - CHAPTER 6: DEBT

SHORT-TERM DEBT

45 (1) A municipality may incur short-term debt only in accordance with and subject to the provisions of this Act. A municipality may incur short-term debt only when necessary to bridge -

- (a) shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or
- (b) capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

(2) A municipality may incur short term debt only if - a resolution of the municipal council, signed by the mayor , has approved the debt agreement : and the accounting officer has signed the agreement or other document which creates or acknowledges the debt .

(3) For the purpose of subsection (2) (a.) a municipal council may - approve a short term debt individually ; or approve an agreement with a lender for a short-term credit facility to be accessed as and when required , including a line of credit or bank overdraft facility , provided that -

- (i) the credit limit must be specified in the resolution of the council ;
- (ii) the terms of agreement , including the credit limit , may be changed only by a resolution of the council ; and
- (iii) if the council approves a credit facility that is limited to emergency use , the accounting office must notify the council in writing as soon as practical of the amount , duration and any debt incurred in terms of such a credit facility , as well as options for repaying such debt.

(4) A municipality - must pay off short-term debt within the financial year ; and may not renew or refinance short-term debt , whether its own debt or that of any other entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

(5) (a) No lender may wilfully extend credit to a municipality for the purpose of renewing or refinancing short-term debt that must be paid off in terms of subsection (4)(a). if a lender wilfully extends credit to a municipality in contravention of paragraph (a), the municipality is not bound to repay the loan or interest on the loan

(6) Subsection (5)(b) does not apply if the lender -

- (a) relied in good faith on written representations of the municipality as to the purpose of the borrowing; and
- (b) did not know and had no reason to believe that the borrowing was for the purpose of renewing or refinancing short-term debt.

LONG-TERM DEBT

46. (1) A municipality may incur long-term debt only in accordance with and subject to any applicable provisions of this Act, including section 19, and only for the purpose of–

(a) capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution, including costs referred to in subsection (4) ; or

(b) re-financing existing long-term debt subject to subsection (5). A municipality may incur long-term debt only if – a resolution of the municipal council, signed by the mayor , has approved the debt agreement ; and

(b) the accounting officer has signed the agreement or other document which creates or acknowledges the debt .

(3) A municipality may incur long-term debt only if the accounting officer of the municipality has in accordance with subsection 21A of the Municipal Systems Act– at least 21 days prior to the meeting of the council at which approval for the debt is to be considered, made public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided ;and

(ii) invited the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt ; and
(b) has submitted a copy of the information statement to the municipal council at least 21 days prior to the meeting of the council, together with particulars of –

(i) the essential repayment terms, including the anticipated debt repayment schedule; and

(ii) the anticipated total cost in connection with such debt over the repayment period. Capital expenditure contemplated in subsection (1)(a) may include - financing costs, including - capitalised interest for a reasonable initial period; costs associated with security arrangements in accordance with section 48; discounts and fees in connection with the financing; fees for legal, financial, advisory, trustee, credit rating and other services directly connected to the financing; and costs connected to the sale or placement of debt, and costs for printing and publication directly connected to the financing costs of professional services directly related to the capital expenditure; and (c) such other costs as may be prescribed.

(5) A municipality may borrow money for the purpose of re-financing existing long-term debt, provided - the existing long-term debt was lawfully incurred;

(b) the re-financing does not extend the term of the debt beyond the useful life of the property, plant or equipment for which the money was originally borrowed;

(c) the net present value of projected future payments (including principal and interest payments) after re-financing is less than the net present value of projected future payments before re-financing and

(d) the discount rate used in projecting net present value referred to in paragraph (c), and any assumptions in connection with the calculations, must be reasonable and in accordance with criteria set out in a framework that may be prescribed.

(6) A municipality's long-term debt must be consistent with its capital budget referred to in section 17(2).

CONDITIONS APPLYING TO BOTH SHORT-TERM AND LONG-TERM DEBT

47. A municipality may incur debt only if -

the debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value the Rand against any foreign currency;

(b) section 48 (3) has been complied with, if security is to be provided by the municipality

SECURITY

48. (1) A municipality may, by resolution of its council, provide security for -

(a) any of its debt obligations;

(b) any debt obligations of a municipal entity under its sole control; or

(c) contractual obligations of the municipality undertaken in connection with capital expenditure by other persons on property, plant or equipment to be used by the municipality or such other person for the purpose of achieving the objects of local government in terms of section 152 of the Constitution.

(2) A municipality may in terms of subsection (1) provide any appropriate security including by - giving a lien on, or pledging, mortgaging, ceding or otherwise hypothecating an asset or right, or giving any other form of collateral;

(b) undertaking to effect payment directly from money or sources that may become available and to authorise the lender or investor direct access to such sources to ensure payment of the secured debt or performance of the secured obligations, but this form of security may not affect compliance with section 8 (2)

(c) undertaking to deposit funds with the lender, investor or third party as security;

(d) agreeing to specific payment mechanisms or procedures to ensure exclusive or dedicated payment to lenders or investors, including revenue intercepts, payments into dedicated accounts or other payment mechanisms or procedures;

(e) ceding as security any category of revenue or rights for future revenue;

(f) undertaking to have disputes resolved through mediation, arbitration or other dispute resolution mechanisms;

(g) undertaking to retain revenues or specific charges, fees, tariffs or funds at a particular level or at a level sufficient to meet its financial obligations;

(h) undertaking to make provision in its budgets for the payment of its financial obligations, including capital and interest;

(i) agreeing to restrictions on debt that the municipality may incur in future until the secured debt is settled or the secured obligations are met; and

(j) agreeing to such other arrangements as the municipality may consider necessary and prudent.

(3) A council resolution authorising the provision of security in terms of subsection (2)(a) -must determine whether the asset or right with respect to which the security is provided, is necessary for providing the minimum level of basic municipal services; and

(b) if so, must indicate the matter in which the availability of the asset or right for provision of that minimum level of basic municipal services will be protected.

(4) If the resolution has determined that the asset or right is necessary for providing the minimum level of basic municipal services, neither the party to whom the municipal security is provided, nor any successor or assignee of such party, may, in the event of a

default by the municipality, deal with asset or right in a manner that would preclude or impede the continuation of that minimum level of basic municipal services.

(5) A determination in terms of subsection (3) that an asset or right is not necessary for providing the minimum level of basic municipal services is binding on the municipality until the secured debt has been paid in full or the secured obligations have been performed in full, as the case may be.

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DISCLOSURE

49. (1) Any person involved in the borrowing of money by a municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective investor -disclose all information in that person's possession or within that person's knowledge that may be material to the decision of that prospective lender or investor; and take reasonable care to ensure the accuracy of any information disclosed.

(2) A lender or investor may rely on written representations of the municipality, if the lender or investor did not know and had no reason to believe that those representations were false or misleading.

MUNICIPAL GUARANTEES

50. A municipality may not issue any guarantee for any commitment or debt of any organ of state or person, except on the following conditions :

(a) The guarantee must be within limits specified in the municipality's approved budget:

(b) a municipality may guarantee the debt of a municipal entity under its sole control only if the guarantee is authorised by the council in the same manner and subject to the same conditions applicable to a municipality in terms of this Chapter if it incurs debt

(c) a municipality may guarantee the debt of a municipal entity under its shared control or of any other person, but only with the approval of the National Treasury, and then only if-

(i) the municipality creates, and maintains for the duration of the guarantee, a cash-backed reserve equal to its total potential financial exposure as a result of such guarantee; or

(ii) the municipality purchases and maintains in effect for the duration of the guarantee, a policy of insurance issued by a registered insurer, which covers the full amount of the municipality's potential financial exposure as a result of such guarantee.

NATIONAL AND PROVINCIAL GUARANTEES

51. Neither the national nor a provincial government may guarantee the debt of a municipality or municipal entity except to the extent that Chapter 8 of the Public / New Finance Management Act provides for such guarantees.



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GOVERNMENT NOTICE

No. R492

NATIONAL TREASURY

15 June 2007

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT**MUNICIPAL REGULATIONS ON DEBT DISCLOSURE**

The Minister of Finance, acting with the concurrence of the Minister for Provincial and Local Government, has in terms of section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), made the regulations as set out in the Schedule.

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1. Definitions
2. Application of these regulations

CHAPTER 2**COMPULSORY DISCLOSURES WHEN INCURRING MUNICIPAL DEBT*****Part 1: Municipal debt incurred otherwise than through municipal debt instruments***

3. Disclosures to prospective lenders, other creditors and underwriters
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CHAPTER 3**COMPULSORY DISCLOSURES RELATING TO SECURITIES BACKED BY
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18. Issue of securities backed by municipal debt
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CHAPTER 4**MISCELLANEOUS**

24. Municipal debt disclosure depository
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CHAPTER 1

INTERPRETATION AND APPLICATION OF THESE REGULATIONS

Definitions

1. In these regulations, a word or expression to which a meaning has been assigned in the Act and which is not defined in these regulations has the same meaning as in the Act, and, unless the context otherwise indicates –

“Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“creditor”, in relation to a municipality or municipal entity, means a person to whom money is owing by the municipality or municipal entity;

“disclosure statement” means a statement issued or to be issued by –

- (a) a municipality or municipal entity which intends to incur debt by issuing municipal debt instruments; or
- (b) a person who intends to incur debt by issuing securities backed by municipal debt;

“financing agreement”, in relation to a municipality or municipal entity, includes any loan agreement, lease, instalment purchase contract or hire purchase arrangement under which a municipality or municipal entity undertakes to repay a long-term debt over a period of time;

“lender”, in relation to a municipality or municipal entity, means a person who provides debt finance to a municipality or municipal entity;

“long-term debt”, in relation to a municipality or municipal entity, means debt repayable by the municipality or municipal entity over a period exceeding one year;

“municipal debt” means—

- (a) a monetary liability or obligation on a municipality or municipal entity created by —
 - (i) a financing agreement, note, debenture, bond or overdraft; or
 - (ii) the issuance of municipal debt instruments; or
- (b) a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

“municipal debt disclosure depository” means a physical or electronic depository administered by the National Treasury, accommodating the documents referred to in regulation 24(1);

“municipal debt instrument” means any note, bond, debenture or other evidence of indebtedness issued by a municipality or municipal entity, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

“security”, in relation to a municipality or municipal entity, means any mechanism intended to secure the interest of a lender or investor, and includes any of the mechanisms mentioned in section 48(2) of the Act;

“securities exchange” means any entity in the Republic which is licensed in terms of section 10 of the Securities Services Act, 2004 (Act No. 36 of 2004) to list municipal debt instruments or securities backed by municipal debt for purposes of trade;

“securities backed by municipal debt” means securities as defined in section 1 of the Securities Services Act, 2004 (Act No. 36 of 2004), which, in whole or in part, are backed, collateralised or in any way secured by municipal debt;

“short-term debt”, in relation to a municipality or municipal entity, means debt that is repayable over a period not exceeding one year;

“**underwriter**”, in relation to municipal debt, means a person who undertakes–

- (a) to take up municipal debt instruments to the extent that such instruments are not taken up by other lenders or investors; or
- (b) to provide debt finance to a municipality or municipal entity to the extent that such debt finance is not provided by other lenders or investors;

Application of these regulations

2. (1) These regulations apply to –

- (a) all municipalities and municipal entities when intending to incur debt whether through the issue of municipal debt instruments or in another way; and
- (b) all persons intending to incur debt by issuing securities backed by municipal debt.

(2) These regulations do not in any way detract from an obligation imposed on a person in terms of section 49 of the Act.

CHAPTER 2

COMPULSORY DISCLOSURES WHEN INCURRING MUNICIPAL DEBT

Part 1: Municipal debt incurred otherwise than through municipal debt instruments

Disclosures to prospective lenders, other creditors and underwriters

3. When entering into discussions with a prospective lender, other creditor or underwriter with a view to incurring municipal debt, a municipality or municipal entity must indicate in writing to the prospective lender, other creditor or underwriter whether it intends to incur short-term or long-term debt, and –

- (a) if it intends to incur short-term debt, whether the purpose of the debt is to bridge –
 - (i) shortfalls within a financial year as contemplated in section 45(1)(a) of the Act; or

- (ii) capital needs within a financial year as contemplated in section 45(1)(b) of the Act; or
- (b) if it intends to incur long-term debt, whether the purpose of the debt is for –
 - (i) capital expenditure on property, plant or equipment as contemplated in section 46(1)(a) of the Act; or
 - (ii) re-financing existing long-term debt as contemplated in section 46(1)(b) of the Act.

Submission of certain documents to prospective lenders, other creditors and underwriters

4. (1) When entering into discussions with a prospective lender, other creditor or underwriter with a view to incurring short-term or long-term debt, a municipality or municipal entity must make available to the prospective lender, other creditor or underwriter certified copies of –

- (a) its audited financial statements for the preceding three financial years, together with an indication whether the audit deadline referred to in section 126(1) and section 126(2) of the Act has been met;
- (b) its approved annual budget;
- (c) the municipality's integrated development plan or in the case of a municipal entity its multi-year business plan referred to in section 87(5)(d) of the Act; and
- (d) its repayment schedules pertaining to its existing short-term and long-term debt.

(2) In the case of a municipal entity which was established less than three financial years ago, the entity must submit audited financial statements for the preceding financial year or years since its establishment.

Notification of long-term debt to National Treasury and Provincial Treasuries

5. A municipality or municipal entity which contemplates incurring long-term debt must comply with section 46(3) of the Act.

Part 2: Municipal debt incurred through municipal debt instruments**Credit ratings and issuing of disclosure statements**

6. (1) If a municipality or municipal entity intends to incur long-term debt through the issuing of municipal debt instruments, it must:

- (a) obtain a credit rating from an independent credit rating institution before it can incur debt through municipal debt instruments with effect 1 July 2008; and
- (b) prepare and, in accordance with this Part issue a disclosure statement prior to the issuing of such instruments.

(2) Subregulation (1) applies irrespective of whether the municipal debt instruments are to be –

- (a) sold publicly or placed privately; or
- (b) listed on any securities exchange.

(3) If municipal debt instruments are to be issued in accordance with a pre-determined borrowing programme or framework –

- (a) no disclosure statement is required at the stage of development and adoption of the programme or framework; and
- (b) subregulation (1) only becomes applicable in respect of any municipal debt instruments to be issued in terms of the programme or framework after the type of instrument has been determined.

(4) Subregulation (1) does not preclude the inclusion in a disclosure statement of any other information which is required in terms of –

- (a) any other legislation; or
- (b) the rules of any securities exchange on which the municipal debt instruments are to be listed.

(5) If the information that must in terms of this Part be included in a disclosure statement is included in a prospectus, offering-circular or other disclosure document required by other legislation or the rules of any securities exchange on which the municipal debt instruments are to be listed, such

prospectus, offering-circular or other disclosure document may for the purpose of these regulations be regarded to be a disclosure statement.

(6) The credit rating obtained in terms of subregulation (1) must annually be reviewed by an independent credit rating institution until the municipal debt instrument has been redeemed.

Formal requirements for disclosure statements

7. (1) A disclosure statement issued by a municipality or municipal entity must be signed –

- (a) in the case of a municipality, by the accounting officer; or
- (b) in the case of a municipal entity, by the chief executive officer.

(2) The accuracy of the information set out in a disclosure statement must be confirmed by –

- (a) an opinion from an independent auditor registered with the Independent Regulatory Board for Auditors;
- (b) a legal opinion; and
- (c) the opinions referred to in subregulation (2)(a) and (b) must be included in the disclosure statement together with any qualifications subject to which the opinions were issued.

Method of issuing disclosure statements

8. (1) A disclosure statement issued by a municipality or municipal entity is issued by submitting copies of the statement prior to the date of issue of the municipal debt instruments to –

- (a) prospective underwriters, where necessary, and primary market investors;
- (b) prospective secondary market investors, but only on request; and
- (c) any relevant securities exchange, if the municipal debt instruments are to be listed on a securities exchange.

(2) A copy of the disclosure statement must be submitted to the National Treasury and to the relevant Provincial Treasury within seven working days of issuing the municipal debt instruments.

Formal information to be included in disclosure statements

9. (1) A disclosure statement issued by a municipality must set out the following information:

- (a) the name of the municipality;
- (b) where the municipality is located;
- (c) Confirmation of the intent to borrow by Council including the resolution required in terms of section 46(2) of the Act;
- (d) the exact wording of the information statement required in terms of section 46(3) of the Act; and
- (e) any restrictions or limits imposed on borrowing which arise by virtue of any agreement, resolution or otherwise.

(2) A disclosure statement issued by a municipal entity must set out the following information:

- (a) the name of the municipal entity,
- (b) the date of its establishment,
- (c) a summary of its articles and memorandum of association if it is a company, or other constituting documents if it is not a company;
- (d) its parent municipality or municipalities;
- (e) details of the ownership structure of the municipal entity;
- (f) where the municipal entity is located;
- (g) confirmation of the intent to borrow by the board of directors, including a certified copy of the resolution required in terms of section 46(2) of the Act;
- (h) confirmation by the parent municipality that it supports the resolution in subregulation (2)(g) consistent with section 87 of the Act;
- (i) the exact wording of the information statement to incur long term debt; and

- (j) any restrictions or limits imposed on borrowing which arise by virtue of any agreement, resolution, regulations, the policy of its parent municipality or otherwise.

Disclosures relating to proposed issue of municipal debt instruments

10. (1) A disclosure statement issued by a municipality or municipal entity must set out the following information concerning the issue of municipal debt instruments:

- (a) the issue date;
- (b) the purposes for which funds raised by the issue will be used;
- (c) the total principal amount of municipal debt instruments issued;
- (d) if the current issue of municipal debt instruments is part of a larger issue of such instruments by the municipality or municipal entity –
 - (i) the total amount of the larger issue; and
 - (ii) the amount of any previous debt incurred within that larger issue;
- (e) the aggregate amount of interest payable in respect of the issue over the repayment period, as calculated at the issue date;
- (f) the applicable interest rate, or the basis for determination thereof if not determined, and the method for the calculation thereof in summary form, and the date from which interest will accrue;
- (g) the due dates for payment of any amounts payable;
- (h) the final maturity date;
- (i) any legal restrictions under which the municipal debt instruments, will be offered, sold, transferred or delivered;
- (j) the status of the municipal debt instruments, and the subordination thereof in relation to the other debts of the municipality or municipal entity;
- (k) the subscription or cancellation rights of any lender, underwriter or investor;
- (l) whether the municipal debt instruments will be listed on a securities exchange and details of such listing;
- (m) debt amortisation terms;
- (n) procedures relating to the method of issue or allocation;

- (o) clearing and settlement procedures;
- (p) a summary of the most important rights of persons who will be holders of the municipal debt instruments;
- (q) any penalty or early redemption premium payable by the municipality or municipal entity;
- (r) the minimum denominations in which the municipal debt instruments may be taken up by any person;
- (s) the details of any security to be provided by the municipality or municipal entity, and where the relevant documentation will be available for inspection;
- (t) whether any asset or right in respect of which security is provided has been determined by a council resolution in terms of section 48(3) of the Act to be necessary for the provision of the minimum level of basic municipal services, and if so, the manner in which the availability of the asset or right for the provision of that minimum level of basic services will be protected; and
- (u) such other key terms and salient features of the debt transaction as may be necessary to enable a potential lender or investor who was not a party to the original transaction to understand the essence of the transaction.

(2) Where interest rates applicable to an issue of municipal debt instruments are not fixed rates, then reasonable and neutral assumptions as to the applicable future rates must be used to calculate the aggregate amount of interest referred to in subregulation (1)(e), and such assumptions must be clearly explained.

(3) Where interest rates applicable to an issue of municipal debt instruments are fixed rates, the terms and conditions applicable to that fixed interest debt instrument must also be explained in the disclosure statement.

Disclosure of names of political office-bearers, officials and contact persons

11. (1) A disclosure statement issued by a municipality or municipal entity must set out the full names, and the relevant qualifications and experience –

- (a) in the case of a municipality, of –
 - (i) the accounting officer;
 - (ii) the chief financial officer; and
 - (iii) the person that will be responsible for administering the debt and repayment of the debt, if this responsibility is not vested with the chief financial officer; and
- (b) in the case of a municipal entity, of –
 - (i) the members of the board of directors;
 - (ii) the chief executive officer; and
 - (iii) the financial officer and senior management of the municipal entity.

(2) A disclosure statement must set out –

- (a) the names, contact persons, addresses, contact details and any registration details of the legal and financial advisors and auditors of the municipality or municipal entity and whether those advisors are officials of the municipality or entity;
- (b) the addresses where relevant documentation is available for inspection by potential lenders, underwriters, investors and other interested persons; and
- (c) the names and contact details of persons who are available to provide any further information.

Disclosures relating to financial affairs of the municipality or municipal entity

12. (1) A disclosure statement issued by a municipality or municipal entity must include the following information concerning the financial situation and financial management of the municipality or municipal entity:

- (a) Details concerning the long-term debt of the municipality or municipal entity, including –
 - (i) the date and amount of each loan and of each issue of municipal debt instruments;
 - (ii) the identity of its creditors, except in the case of listed municipal debt instruments;
 - (iii) the capital amount outstanding on each loan and on each issue of municipal debt instruments;
 - (iv) the applicable interest rate on each loan and on each issue of municipal debt instruments; and
 - (v) the repayment schedules for its long-term debt and a summary of any security provided to secure such debt;
- (b) the amount of any short-term debt outstanding at the close of each of the three months preceding the date of the disclosure statement;
- (c) the revenue of the municipality or municipal entity for the preceding three financial years, or in the case of a municipal entity which was not in existence during all three of those financial years, then for those financial years it was in existence, stating separately –
 - (i) any allocations received in terms of the annual Division of Revenue Act;
 - (ii) any revenue from service fees, property rates, and other charges; and
 - (iii) any revenue from other sources;
- (d) details of any default by the municipality or municipal entity on outstanding or repaid debt –
 - (i) during the preceding three years; or
 - (ii) since its establishment, in the case of a municipal entity established less than three years ago;
- (e) the reserves of the municipality or municipal entity;
- (f) a summary of any policies and practices of the municipality or municipal entity in respect of the collection of unpaid service fees, property rates, and other charges;

- (g) a summary of the policy of the municipality or municipal entity on the incurring of debt;
- (h) a summary of the long-term financial or capital strategy of the municipality or municipal entity;
- (i) a summary of the investment policy of the municipality or municipal entity;
- (j) a summary of the risk management policy of, and measures taken by, the municipality or municipal entity;
- (k) a summary of the nature and amounts of letters of credit, guarantees, insurance policies, and other credit enhancements which relate to the debt;
- (l) a summary of the capital or debt repayment plan or strategy of the municipality or municipal entity; and
- (m) the credit rating report obtained in terms of regulation 6.

Disclosures relating to local economic indicators

13. The disclosure statement issued by a municipality or municipal entity must set out the following information pertaining to local economic indicators:

- (a) the ten employers employing the greatest number of persons within the area of the municipality;
- (b) the ten major contributors to the municipal rate base;
- (c) growth projections in the area of the municipality for the next five years; and
- (d) any material risk factors which, in accordance with the assessment of the municipality or municipal entity, will have a direct impact on its ability to meet its repayment obligations.

Annual consolidation of disclosure statements

14. (1) A municipality or municipal entity, having incurred debt through the issuing of municipal debt instruments, must, annually within 90 days after the end of the financial year until the debt has been repaid, prepare a consolidated disclosure statement reflecting –

- (a) details of all debt instruments contained in the individual disclosure statements;

- (b) any changes relating to the information disclosed in the initial disclosure statement or previous update of the consolidated disclosure statement; and
- (c) in the case of a parent municipality, the information required in terms of paragraph (a) and (b) for each of its municipal entities.

(2) A municipality or municipal entity must place the annually updated disclosure statement prepared in terms of subregulation (1) on the municipal debt disclosure depository in terms of regulation 24(1).

(3) If there are no changes, the annually updated disclosure statement must so indicate and be placed on the municipal debt disclosure depository in terms of regulation 24(1).

Part 3: General disclosure requirements

Disclosures relating to municipal services

15. (1) Where debt incurred by a municipality or municipal entity is to be repaid from revenues linked to a particular municipal service, the municipality or municipal entity must disclose the following information, irrespective of whether the debt was incurred by way of the issuing of municipal debt instruments or in any other way:

- (a) whether the rights of recovery of a lender or investor against the municipality or municipal entity is limited –
 - (i) to revenues linked to that particular service; or
 - (ii) in any other respect;
- (b) particulars of any security provided by the municipality or municipal entity; and
- (c) operational statistics pertaining to that particular municipal service and any other municipal service that is relevant to the debt transaction.

(2) A disclosure in terms of subregulation (1) must –

- (a) be contained in the disclosure statement if the debt is incurred through the issuing of municipal debt instruments; or

- (b) be made by written notice to the lender if the debt is incurred in any other way.

Material event disclosures

16. A municipality or municipal entity having incurred debt, irrespective of whether by way of the issuing of municipal debt instruments or otherwise, must provide written notification to lenders, investors and other holders of record of such debt instruments or debt, any designated fiduciaries representing any such lenders, investors or holders, any securities exchange on which the instruments are listed, and the National Treasury and relevant Provincial Treasury, as soon as possible after becoming aware, of –

- (a) any event which is likely to affect the ability of the municipality or municipal entity to meet its repayment or security obligations in respect of its debt;
- (b) any failure by the municipality or municipal entity to meet its repayment obligations on the due date other than non-payment for technical reasons which is remedied within 72 hours;
- (c) any failure by the municipality or municipal entity to meet –
 - (i) any of its obligations pertaining to security provided by the municipality or municipal entity; or
 - (ii) any other obligation constituting a default as defined for purposes of a debt transaction;
- (d) any new debt incurred by the municipality or municipal entity;
- (e) the provision of any additional security by the municipality or municipal entity to an existing creditor; or
- (f) any mandatory intervention by the provincial executive in terms of Chapter 13 of the Act.

Availability of documents

17. Without derogating from any obligation to make documents available at places set out in a disclosure statement, a municipality or municipal entity must keep readily available at its main office for inspection, on request of any interested person, copies of all documents relating to a debt transaction or

documentation required to be disclosed or made available in terms of these regulations, including –

- (a) any documentation referred to in regulation 4;
- (b) any guarantees, security arrangements or other credit enhancement arrangements;
- (c) all advertisements, notices, resolutions, information statements, disclosure statements;
- (d) annual updates of disclosure statements referred to in regulation 14; and
- (e) any material event disclosures referred to in regulation 16.

CHAPTER 3

COMPULSORY DISCLOSURES RELATING TO SECURITIES BACKED BY MUNICIPAL DEBT

Issue of securities backed by municipal debt

18. (1) If a person other than a municipality or municipal entity plans to issue securities backed by municipal debt, that person must prepare and, in accordance with this Chapter, issue a disclosure statement prior to the issuing of such securities.

(2) Subregulation (1) applies irrespective of whether the securities backed by municipal debt are to be –

- (a) sold publicly or placed privately; or
- (b) listed on any securities exchange.

(3) Regulations 6(3), (4) and (5) and 8, read with any changes that the context may require, apply also to a disclosure statement that must be issued by a person referred to in subregulation (1).

Formal requirements for disclosure statements

19. (1) A disclosure statement issued by a person referred to in regulation 18 must be signed on behalf of that person by the chief executive officer or, if there is no chief executive officer, the person in charge.

(2) The accuracy of the information set out in a disclosure statement must be confirmed by –

- (a) an opinion from an independent auditor registered with the Independent Regulatory Board for Auditors;
- (b) a legal opinion; and
- (c) the opinions referred to in subregulation (2)(a) and (b) must be included in the disclosure statement together with any qualifications subject to which the opinions were issued.

Formal information to be included in disclosure statements

20. A disclosure statement issued by a person referred to in regulation 18 must set out the following information:

- (a) the name of the person;
- (b) if it is a company –
 - (i) its company registration number; and
 - (ii) a summary of its articles and memorandum;
- (c) if it is another kind of entity or an association or partnership –
 - (i) any registration number allocated to it in terms of any applicable legislation; and
 - (ii) its constituting documents;
- (d) details of its ownership structure;
- (e) confirmation of the intent to issue securities backed by municipal debt by the board of directors or other managing body, including a certified copy of the resolution approving the proposed issue of securities;
- (f) details of the municipal debt to be utilised for the issue of the proposed securities backed by municipal debt;
- (g) the name of the municipality or municipal entity; and

- (h) any restrictions or limits imposed on borrowing which arise by virtue of any agreement, resolution or otherwise.

Disclosures relating to proposed issue of securities backed by municipal debt

21. (1) A disclosure statement issued by a person referred to in regulation 18 must set out the following information concerning the issue of securities backed by municipal debt:

- (a) the issue date;
- (b) the purposes for which funds raised by the issue will be used;
- (c) the total principal amount of the securities to be issued;
- (d) if the current issue of securities is part of a larger issue of securities backed by municipal debt by the person referred to in regulation 18 –
 - (i) the total amount of the larger issue; and
 - (ii) the amount of any previous securities issued within that larger issue;
- (e) the aggregate amount of interest payable in respect of the issue of the securities over the repayment period, as calculated at the issue date;
- (f) the applicable interest rate, or the basis for determination thereof, if not determined, and the method for the calculation thereof in summary form, and the date from which interest will accrue;
- (g) the due dates for payment of any amounts payable;
- (h) the final maturity date;
- (i) any legal restrictions under which the securities will be offered, sold, transferred or delivered;
- (j) the subscription or cancellation rights of any lender, underwriter or investor;
- (k) whether the securities will be listed on a securities exchange and details of such listing;
- (l) debt amortisation terms;
- (m) procedures relating to the method of issue or allocation;
- (n) clearing and settlement procedures;
- (o) a summary of the most important rights of holders of such securities;

- (p) any penalty or early redemption premium payable by the person referred to in regulation 18;
- (q) the minimum denominations in which the securities may be taken up by any person; and
- (r) such other key terms and salient features of the debt transaction as may be necessary to enable a potential holder of such securities who was not a party to the original transaction to understand the essence of the transaction.

(2) Where interest rates applicable to an issue of securities backed by municipal debt are not fixed rates, then reasonable and neutral assumptions as to the applicable future rates must be used to calculate the aggregate amount of interest referred to in subregulation (1)(e), and such assumptions must be clearly explained.

Disclosure of names of contact persons

22. A disclosure statement issued by a person referred to in regulation 18 must set out –

- (a) the names, contact persons, addresses, contact details and any registration details of the legal and financial advisors and auditors of the person referred to in regulation 18;
- (b) the addresses where relevant documentation is available for inspection by potential lenders, underwriters, investors and other interested persons; and
- (c) the names and contact details of persons who are available to provide any further information.

Disclosures relating to financial affairs of affected municipality or municipal entity

23. A disclosure statement issued by a person referred to in regulation 18 must set out the following information concerning the financial situation and financial management of the municipality or municipal entity whose debt is to be used for the issue of securities backed by municipal debt:

- (a) details with respect to the long-term debt of the municipality or municipal entity, including –
 - (i) the date and amount of each loan and of each issue of municipal debt instruments;
 - (ii) the identity of its creditors, except in the case of listed municipal debt instruments;
 - (iii) the capital amount outstanding on each loan and on each issue of municipal debt instruments;
 - (iv) the applicable interest rate on each loan and on each issue of municipal debt instruments; and
 - (v) the repayment schedules for its long-term debt and a summary of any security provided to secure such debt;
- (b) the amount of any short-term debt of the municipality or municipal entity outstanding at the close of each of the three months preceding the date of the disclosure statement;
- (c) the revenue of the municipality or municipal entity in respect of the preceding three financial years, or in the case of a municipal entity which was not in existence during all three of those financial years, then for those financial years it was in existence, stating separately –
 - (i) any allocations received in terms of the annual Division of Revenue Act;
 - (ii) any revenue from service fees, property rates, and other charges; and
 - (iii) any revenue from other sources;
- (d) details of any default by the municipality or municipal entity pertaining to outstanding or repaid debt –
 - (i) during the preceding three years; or
 - (ii) since its establishment, in the case of a municipal entity established less than three years ago;
- (e) the reserves of the municipality or municipal entity;
- (f) a summary of the policies and practices of the municipality or municipal entity in respect of the collection of unpaid service fees, property rates and other charges;

- (g) a summary of the policy of the municipality or municipal entity on the incurring of debt;
- (h) a summary of the long-term financial or capital strategy of the municipality or municipal entity;
- (i) a summary of the investment policy of the municipality or municipal entity;
- (j) a summary of the risk management policy of, and any measures taken by, the municipality or municipal entity;
- (k) a summary of the nature and amounts of letters of credit, guarantees, insurance policies, and other credit enhancements which relate to the debt; and
- (l) whether any credit rating has been applied by a rating agency to the municipality or municipal entity and whether or not a rating was obtained, and if obtained, what rating, from which agency and when it was obtained.

CHAPTER 4

MISCELLANEOUS

Municipal debt disclosure depository

24. (1) The National Treasury may establish and maintain a municipal debt disclosure depository, consisting of physical or electronic copies of the following documents:

- (a) disclosure statements submitted in terms of regulation 8(2) or 18(3);
- (b) notifications submitted in terms of regulation 5;
- (c) material event disclosures submitted in terms of regulation 16; and
- (d) consolidated disclosure statements submitted in terms of regulation 14(1).

(2) The National Treasury may make information contained within the municipal debt disclosure depository available on request to lenders, municipal securities investors, rating agencies and any other interested persons.

(3) Documents submitted to the National Treasury in terms of these regulations must be submitted in physical or electronic form, as the National Treasury may direct from time to time.

Failures to disclose compulsory information

25. The failure in good faith to disclose any matter in a disclosure statement or update of a disclosure statement does not affect the validity of the debt transaction to which that disclosure statement or update relate.

Notification of failure to meet a debt obligation

26. Any failure by the municipality or municipal entity to meet –

- (i) any of its obligations pertaining to security provided by the municipality or municipal entity; or
- (ii) any other obligation constituting a default as defined for purposes of a debt transaction;

must be notified by the respective parties to the contract to the National Treasury within four working days of the default.

Short title and commencement

27. These Regulations are called the Municipal Regulations on Debt Disclosure, 2007, and becomes effective on 1 July 2007 for a municipality or municipal entity.

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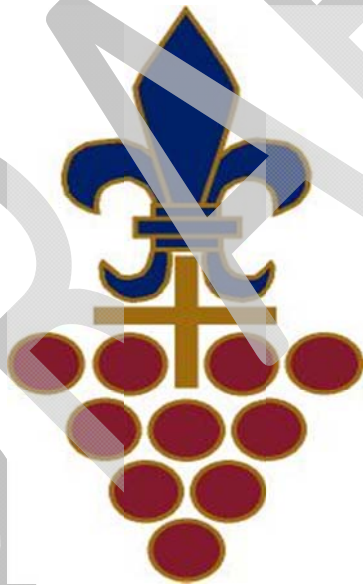
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STELLENBOSCH MUNICIPALITY

SPECIAL RATING AREAS POLICY



EFFECTIVE 1 JULY 2012

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1. INTRODUCTION

- 1.1 This policy for the establishing of special rating areas must be read together with the Local Government: Municipal Property Rates Act, 6 of 2004 (**MPRA**) and the Municipality's Special Rating Area By-laws, as in force from time to time.
- 1.2 All words and phrases defined in the MPRA and the By-Law have the same meaning in this Policy.
- 1.3 In the event of any conflict between the provisions of the By-Law and the provisions of this Policy, the By-Law prevails (to be promulgated still).
- 1.4 The Policy needs to be read together with the Municipality's Rates Policy.

2. AIM OF THE POLICY

This Policy aims to –

- 2.1 Set out Council's position on special rating areas and the factors that will influence Council's decision whether or not to determine a particular Special Rating Area.
- 2.2 Provide guidance to members of the local community and to decision-makers within the Municipality in relation to the establishment of special rating areas; and
- 2.3 Strike an appropriate balance between facilitating self-funded community initiatives that aim to improve and/or upgrade neighborhoods by –
 - 2.3.1 making use of Council resources and structures; or
 - 2.3.2 making use of a section 21 company structure;
 - 2.3.3 ensure commitment to good, fair and transparent governance by the managing body, by implementing a transparent process when appointing service providers to improve and/or upgrade the special rating area in the public areas and ensuring that these improved and /or upgraded services and not provided on private properties.

3. EXCLUSION

This policy does not apply to privately-owned property developments or to gated developments.

4. POLICY STATEMENT

- 4.1 The special rating area model is based on international best practice. It is aimed at preventing the degeneration of towns and the consequential urban decay, and facilitating their upliftment, economic growth and sustainable development.

- 4.2 The purposes of a special rating area is to –
 - 4.2.1 enhance and supplement the municipal services provided by Stellenbosch Municipality;
 - 4.2.2 facilitate investment in the special rating area;
 - 4.2.3 facilitate a cooperative approach between Stellenbosch Municipality and the private sector in the provision of municipal services;
 - 4.2.4 halt the degeneration and facilitate the upliftment of distressed business and mixed-use areas; and
 - 4.2.5 promote economic growth and sustainable development and in this way assist the Council in the fulfillment of its objects and developmental duties as set out in its Integrated Development Plan (“IDP”).
- 4.3 Stellenbosch Municipality regards special rating areas as a potential tool for allowing it to fulfill its constitutional and statutory obligations to promote;
 - 4.3.1 social and economic development; and
 - 4.3.2 a safe and healthy environment in a way which balances the guiding principles underlying its Rates Policy.
- 4.4 Special rating areas allow property owners within a geographical area to improve and upgrade their area by means of a property rate in addition to the standard property rate.

5. FACTORS CONSIDERED WHEN DETERMINING A SPECIAL RATING AREA

The Council will consider determining a special rating area where the requirements of section 22 of the MPRA are complied with, including that –

- 5.1 the purpose of the special rating area is to allow an additional rate to be levied on property in the defined area to raise funds for improving or upgrading the area;¹
- 5.2 the special rating area will not be used to reinforce existing inequities in the development of the WCO24 area of jurisdiction;²

- 5.3 the determination of the special rating area is consistent with Stellenbosch municipalities' IDP;³
- 5.4 residential special rating areas mean an area in which more than 40 % (forty percent) of the rates base value consists of Residential Property as defined in the Rates policy.
- 5.5 any residential special rating area must comply fully with the provision of the By-Law, save that, with reference to the majority support the applicant must provide written proof to the Council that owners of rateable property within the boundary of the special rating area who own not fewer than 60 % (sixty percent) in number of such properties, approve the formation of the special rating area.
- 5.6 the majority of members of the local community who will be liable for paying any additional rate in the special rating area have consented to its establishment;⁴
- 5.7 the procedural requirements of section 22 of the MPRA ⁵as well as the By-law and the Policy are complied with, including the community consultation requirement, as determined by the CFO;
- 5.8 the proposed improvement or upgrade has been clearly and fully defined;
- 5.9 the proposed improvement or upgrade can be clearly and logically linked to a geographical area, the boundaries of which can be clearly determined;
- 5.10 there is evidence that it will be financially viable to use a special rating area to raise funds for the proposed improvement or upgrade;
- 5.11 Stellenbosch Municipality is satisfied with the institutional arrangements proposed in respect of the special rating area; and
- 5.12 Ultimately, the decision whether or not to determine a special rating area rests with the Council in its sole discretion.

6. APPLICABILITY OF STELLENBOSCH MUNICIPALITY'S RATES POLICY AND OTHER POLICIES

- 6.1 Stellenbosch Municipality's Rates Policy applies with the necessary changes to this Policy. In particular, and without limiting the generality of the foregoing, the exemptions, rebates and reductions set out in paragraphs 6.8 and 6.12 of Stellenbosch Municipality's Rates Policy apply with the necessary changes in relation to the levying of an additional rate for special rating area purposes.
- 6.2 Notwithstanding the provisions of paragraph 6.1 above, when Stellenbosch Municipality grants a partial rebate as set out in paragraph 6.8 of the Rates

Policy, the relevant property owner will be granted a full (100%) rebate in relation to the additional rate.

- 6.3 Other policies approved by the Council apply with the necessary changes, to the collection of additional rates in terms of the Policy, the By-Law and Section 22 of the MPRA, including, but not limited to, Stellenbosch Municipality's Credit Control and Debt Collection Policy.

7. PROCESS

7.1 This Policy sets out –

- 7.1.1 the institutional arrangements for special rating areas (paragraph 8)
- 7.1.2 the establishment requirements which must be followed (paragraph 9);
- 7.1.3 the information which needs to be submitted to Stellenbosch Municipality in order to motivate a request for determination of a special rating area (paragraph 10); and
- 7.1.4 the annual requirements which must be followed (paragraph 11);
- 7.1.5 the amendments and/or extension of term for a special rating area (paragraph 12);
- 7.1.6 the dissolution requirements which must be followed (paragraph 13)
- 7.1.7 financial arrangements (refer paragraph 14).

8. INSTITUTIONAL ARRANGEMENTS

Section 22 of the MPRA is not prescriptive as to the structural arrangements which need to be put in place to administer a special rating area. The two broad structural arrangements that will be supported by the CFO are the following:

8.1 Administration by Stellenbosch Municipality

If the applicant chooses to use Stellenbosch municipality as its service provider the following must be adhered to:

- a) The proposed improvements or upgrades must meet the aims and objects of this Policy;
- b) The respective Council Directorate(s) must enter into an agreement to provide or manage the required services;

- c) The necessary support for the proposed improvements or upgrades must be obtained;
- d) The CFO must establish ring-fenced votes and record-keeping systems in respect of the income derived from the additional rate as set out in MPRA ; and⁶
- e) The CFO will pay any expenses out of income generated by the additional rate.

8.1.1 The following provisions of the By-Law and the Policy are not applicable to special rating area administered by the Municipality: sections 10, 11 and 12(4) to 12(8) of the By-Law and paragraph 8.2 of the Policy.

8.2 Administration by the section 21 company

- 8.2.1 If the applicant proposes that the services/upgrades will be managed and implemented by them, Stellenbosch Municipality will require the ratepayers within the special rating area to establish and participate in an appropriate structure to carry out planning, contracting, financial control and administrative functions within the special rating area.
- 8.2.2 This option does not entail ratepayers *setting the* additional rate, which under law can only be done by Stellenbosch Municipality (paragraph 14.2).
- 8.2.3 The “administration by the section 21 company” option gives a higher degree of control and autonomy to ratepayers and, from the perspective of ratepayers who have promoted the special rating area, may be the preferred option.
- 8.2.4 Because this option places funds collected by government in the hands of the private sector, the requirements set out in this Policy must be met.
- 8.2.5 The functions of the structure would include:
 - a) Determining the funding required each year (refer paragraph 41.2);
 - b) Appointing contractors to effect the improvement/s or upgrade/s;
 - c) Receiving the additional rate collected by Stellenbosch Municipality and expending the funds in accordance with the approved Business Plan.
- 8.2.6 Structural requirements when administered by the section 21 company:
 - a) Before Stellenbosch Municipality will consider allowing ratepayers in a special rating area to carry out administrative and other functions in relation to the

- area, the Steering Committee must establish a section 21 company (company not for gain) as per the Companies Act, 61 of 1973 (as amended or replaced) (**“the Companies Act”**) for that purpose. It is envisaged that the Companies Act will be replaced by the Companies Act, 61 of 2008 (**“the new Companies Act”**). When the new Companies Act is implemented, its provisions must be complied with, particularly those relating to non-profit companies (which effectively replace section 21 companies), subject to the transitional provisions contained therein;
- b) The founding documentation in relation to the structure established by ratepayers (the Memorandum and Articles of Association, which will be replaced by a “Memorandum of Incorporation” under the new Companies Act), must be as per the prescribed format determined by the CFO;
 - c) The section 21 company must be managed under the Companies Act, and also comply with any other legislation as a result of the financial connections to Council; and
 - d) The section 21 company must give a written notice to all the property owners within the special rating area of the intention to hold an annual general meeting on the date stated in the notice by advertising in the local newspaper and in one English and one Afrikaans daily newspaper;
 - e) A Special General Meeting (**“SGM”**) must be called within 6 months of the establishment of the section 21 Company. The purpose of the SGM is to :
 - i) Accept new members;
 - ii) Appoint directors;
 - iii) Amend the Articles of Association if required; and
 - iv) Approve the following year’s Budget and Implementation Plan (refer paragraph 14.2).

9. APPLICATION FOR THE ESTABLISHMENT OF A SPECIAL RATING AREA

- 9.1 The process for establishing special rating areas as set out in Chapter 1 of the by-Law must be followed, whether the special rating area is to be administered by Stellenbosch Municipality or by a Section 21 company.
- 9.2 The special rating area application must be submitted by end of September of the financial year preceding the establishment of the special rating area.

- 9.3 Further to section 7.2 of the SRA By-law the applicant must hold another public meeting within 30 days after submitting the application to confirm that it was lodged and to discuss details with the community.

10. MOTIVATING A SPECIAL RATING AREA

The Business Plan comprises of the following:

10.1 The motivation report must contain –

10.1.1 Introduction:

- 10.1.1.1 an executive summary of the improvement or upgrade proposed for the special rating area as set out in the Implementation Plan;
- 10.1.1.2 An explanation of how the proposed improvement or upgrade is linked to the geographical area of the proposed special rating area;
- 10.1.1.3 An explanation of why the proposed special rating area will not reinforce existing inequities in the development of Stellenbosch Municipality;
- 10.1.1.4 An explanation of how the special rating area, if determined, will be consistent with Stellenbosch Municipality's IDP⁷ as per the Service Departments Business Plans;
- 10.1.1.5 An explanation of the institutional arrangements proposed in relation to the special rating area (including whether the applicants to the special rating area are requesting that ratepayers carry out planning and administrative functions within the area, as contemplated in paragraph 8.2 of this Policy);
- 10.1.2 Vision;
- 10.1.3 Mission;
- 10.1.4 Goal;
- 10.1.5 A diagram clearly indicating the boundaries of the proposed special rating area;
- 10.1.6 Management;
- 10.1.6.1 Whether the special rating area is to be administered by Stellenbosch municipality or by a section 21 company;

10.1.6.2 Proposed management structure:

- Composition of special rating area Board including allocation of portfolios and;
- Operational Arrangements

10.1.7 Services:

10.1.7.1 Service providers to be appointed as per paragraph 2.3.3. and 10.1.1.4.

10.1.8 Financial Impact:

- Provide details regarding the calculation of the cent-in-the-rand;
- Provide details of criteria to qualify for exemption of additional rate;

101.9 A list of all rateable properties within the proposed special rating area, contact details of owners and the value of each property as set out in the Council's general valuation. Differentiation between categories of properties, as provided for in section 8 of the MPRA, must be considered;

10.1.10 Proof of the consent of the majority of the members of the local community in the proposed special rating area who will be liable for paying the additional rate;

10.1.11 Proof of the notice of the public meeting or meetings contemplated in the By-law;

10.1.12 Minutes of the public meeting or meetings; and

10.1.13 Compilation date.

10.2 **IMPLEMENTATION**

The Implementation Plan is a schedule of goals to implement improvements or upgrades as per the motivation report and must at least address the following:

102.1 Milestones;

10.2.2. Tasks per milestone;

10.2.3 Start and finish date per task;

10.2.4 Assign responsibility per goal, milestone & task; and

10.2.5 Performance indicators per milestone.

10.3 The budget for the proposed improvements or upgrades must at least address the following:

- 10.3.1 an annual budget per line item commencing on 01 July of the first year and end on 30 June of the last year of the term; and
- 10.3.2 a budget split for the provision of improvements or upgrades between the different categories of properties.

11 ANNUAL REQUIREMENTS (refer 8.2.2)

- 11.1 Confirm property data base; and
- 11.2 Submit an annual budget an Implementation Plan as approval at the AGM by 31 January (refer paragraph 14.2).

12 AMENDMENT AND/OR EXTENSION OF TERM

In the event that a special rating area seeks to extend the term over which it will operate or amend the goals as per its Implementation Plan, then the procedures set out in Chapter 3 of the By-law must be followed and submitted by the end of October.

13 DISSOLUTION

The special rating area may be dissolved by resolution of the Council, subject to the provision of section 16 of the By-law.

14 FINANCIAL CONTROL

- 14.1 As stated in the By-law, the amount of any additional rate levied in a special rating area is determined by the Council. The additional rate is imposed by the Council, is debt owing to Stellenbosch Municipality and is payable and collected in the same manner as other property rates imposed by the Council.
- 14.2 The management structure must recommend the annual budget amount of the additional rate to the Stellenbosch Municipality by 31 January, with appropriate motivation including an Implementation Plan for the next financial year, and the Council will consider the recommendation during its budgeting process.
- 14.3 Before Stellenbosch Municipality will pay over any additional rate collected to the management structure, the management structure and Stellenbosch Municipality must have concluded a written finance agreement regulating, amongst other things;

- 14.3.1 the mechanisms and manner of payment;
- 14.3.1.1 how the additional rate is to be held by the management structure;
- 14.3.2 any parameters relating to expenditure; and
- 14.3.3 any obligations on the management structure to take out and maintain appropriate insurance.

15 COMMENCEMENT AND IMPLEMENTATION

- 15.1 Implementation of this Policy commences on 01 July 2012.
- 15.2 Where Stellenbosch Municipality is legally empowered to do so, requirements set out in this Policy may be imposed as conditions attached to the determination of a special rating area.
- 15.3 This Policy and its implementation must be reviewed annually.

16 COST

Stellenbosch Municipality shall not be liable for any costs incurred by ratepayers within the relevant proposed special rating area in respect of the implementation of the steps set out in this Policy and in the By-Law.

¹ Section 22(1)(b)

² Section 22(4)

³ Section 22(4)

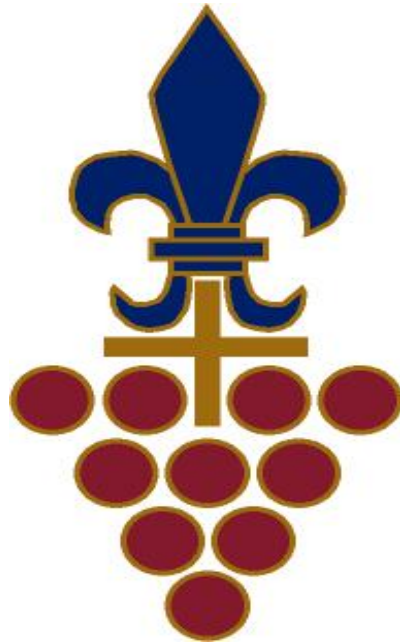
⁴⁴ Section 22(2)(b)

⁵ Section 22(2)(a)

⁶ Section 22(3)©(i)

⁷ The IDP is available on Stellenbosch Municipality's website:

STELLENBOSCH MUNICIPALITY



RATES POLICY

REVISED
2012 / 2013

APPENDIX 7

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1. BACKGROUND

In 2007, Stellenbosch Municipality initiated a process to prepare a General Valuation Roll of all property situated within the geographical boundaries of Stellenbosch Municipality (WC024) in terms of the requirements of the Municipal Property Rates Act (Act 6 of 2004) (MPRA) which became effective on 1 July 2009. This Policy is formulated in terms of Section 3 of the MPRA.

2. LEGISLATIVE CONTEXT

- 2.1 In terms of Section 229 of the Constitution, (Act No-108 of 1996), a municipality may impose rates on property.
- 2.2 In terms of Section 4 (1) (c) of the Municipal Systems Act, (Act 32 of 2000), a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 2.3 In terms of Section 2 (1) of the MPRA a metropolitan or Local municipality may levy a rate on property in its area in accordance with the other provisions of the MPRA.
- 2.4 This policy must be read together with, and is subject to the provisions of the MPRA.
- 2.5 In terms of Section 62 (1) (f) (ii) of the Municipal Finance Management Act, (Act 56 of 2003), a municipality must have and implement a rates policy as may be prescribed by any applicable national legislation.
- 2.6 In terms of Section 8(1) of the MPRA, Stellenbosch Municipality is levying rates on the use of the property.

3. GUIDING PRINCIPLES

- 3.1 The rating of property will be implemented impartially, fairly, equitably and without bias, and these principles also apply to the setting of criteria for exemptions,, reductions, and rebates contemplated in Section 15 of the MPRA.
- 3.2 The rating of property will be implemented in a way that -
 - (a) is developmentally oriented;
 - (b) supports sustainable local government by providing a stable and buoyant revenue source within the legislative control of the Municipality;
 - (c) supports local and socio-economic development;
 - (d) promotes simplicity, uniformity, and certainty in the property rates assessment process;
 - (e) gives due consideration to the need for simple and practical process of billing and collection of property rates;
 - (f) promotes sustainable land management, especially that which reduces the risk from natural disasters; ~~and~~
 - (g) achieves national and local environmental management objectives; ~~and-~~
 - (h) balances the affordability to the public versus the financial sustainability of the Municipality.

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4. DEFINITIONS

In addition to the definitions contained in the MPRA, the following definitions apply for the purpose of the application of this Rates Policy:-

- 4.1 **“ratepayer”** means a person or entity that is liable in terms of the MPRA for the payment of rates on property levied by the Stellenbosch Municipality;
- 4.2 **“residential property”** means improved property that is:
- For the sake of clarity, the following properties are specifically excluded from the definition: hostels, old age homes, guesthouses.
- 4.2.1 used predominantly (60% or more) for residential purposes and with not more than two dwelling units per property, and includes any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. (Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes); or
- 4.2.2 registered in terms of the Sectional Title Act, (Act 95 of 1986 and as amended), used predominantly for residential purposes, and includes any unit in the same Sectional Title Scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or servant's quarters (for the purposes of 4.2.2, any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes); or
- 4.2.3 owned by a share-block company and used solely for residential purposes; or
- 4.2.4 used for residential purposes situated on property used for or related to educational purposes; or
- 4.2.5 a retirement scheme or life right scheme used predominantly (60% more) for residential purposes.
- 4.3 **“Valuation roll”** means a valuation roll drawn up in terms of section 30 of the MPRA or a supplementary valuation roll made in terms of section 78 of the MPRA.
- 4.4 **“Vacant land”** means a property without any buildings or structures, and where no immovable improvements have been erected.
- 4.5 **“Agricultural purposes”** refers to the active pursuit by a bona-fide farmer for primary income generation, ~~or from agricultural farming~~ activities.
- 4.6 **“Agricultural Activities”** means the cultivation of soils for purposes of planting or growing of trees in a managed and structured fashion; the rearing of livestock and game or the propagation and harvesting of fish, but excludes eco-tourism or the trading or hunting of game.
- 4.76 **“Bona fide farmer”** is a person/legal entity that is a full time farmer.
- 4.78 **“Farm property”** refers to property that is able to be used productively and is commercially sustainable for agricultural purposes.

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- 4.98 “Chief Financial Officer (CFO)” means a person designated in terms of section 80(2) (a) of the Local government: Municipal Finance Management Act, (Act 56 of 2003).

5. IMPOSITION OF RATES

- 5.1 Rates are levied in accordance with the MPRA as a cent in the rand on the property value recorded in the Stellenbosch Municipality's valuation roll drawn up in terms of the MPRA.
- 5.2 The ~~Stellenbosch Municipality Council~~ shall, when levying property rates for each financial year, take cognizance of the burden of rates and service charges on property owners in the various categories of property ownership.
- 5.3 The rates charged as a cent- in the rand for residential properties as per the definitions (above) is the base rate and the rate charged to all other categories of properties are reflected as a ratio to the residential rate.
- 5.4 Properties used for multiple purposes and where the Stellenbosch Municipality considers it reasonable to apply the category of multiple use, for which an apportionment of value of each distinct use of the property will be calculated by the Municipal Valuer and used for billing at the applicable rate.
- 5.5 For the purposes of determining property categories, the following will be applied:
- i) the use of the property;
 - ii) the permitted use of the property; or
 - iii) the geographical area in which the property is situated.
- 5.6 Building Clause references
- Obligations pertaining to Building Clauses as per the development agreements or contracts will be levied at the applicable rate.

6. APPLICATION OF THE RATES POLICY

6.1 Residential Property

- 6.1.1 The Stellenbosch Municipality will not levy a rate on the first R85 000 of the market value of residential properties as follows:
- i) the first R15 000 on residential properties on the basis set out in section 17 (1) (h) of the MPRA; and
 - ii) on the further R70 000 in respect of all residential properties to give effect to section 3.1-2 of this policy.

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6.2 Vacant Property

Vacant residential property will be levied as if the property has an improvement value equal to 100 percent of the valuation of the property.

Vacant non-residential property will be levied as if the property has an improvement value equal to 50 percent of the valuation of the property.

These properties will be rated according to its permitted use.

The rates levied as per this criteria will take preference over the contractual agreements pertaining to building clauses (refer 5.6 above) when the latter is less than this (vacant) criteria.

6.23 State Owned Property

State owned property will be levied according to its permitted use. no longer qualifies for any rates rebate by virtue of ownership. However, the exemptions, rebates and reductions relating to the usage of properties as specified in this Policy and the MPRA Regulations, would apply.

6.34 Public Service Infrastructure

Public Service Infrastructure (as defined in the MPRA) will be rated at the rate ratio as set out in the regulations.

6.45 Agricultural Use

As a result of the contribution of agriculture to the social and economic welfare of farm workers, Stellenbosch Municipality will apply the rate ratio ~~1: 0,25~~ as set out in the regulations (the agricultural rate), to ~~farm~~ properties/~~smallholdings~~ that is used for agricultural purposes by bona fide farmers. ~~(as set out below).~~

~~Council reserves the right to inspect the below mentioned properties before or after implementing the applicable rate and to revoke or amend any decision made prior to such investigation.~~

~~Farms and smallholdings also being used for commercial or industrial purposes and where the Municipal Valuer considers it reasonable (applied an apportionment value during the general valuation) to apply the category of multiple use properties, for which an apportionment of value of each distinct use of the property will be calculated by the Municipal Valuer and used for billing at the applicable rate.~~

~~An Owner or tenant of a property (listed from 6.4.2 to 6.4.3.3) that qualifies for the agricultural rate will not be entitled to the residential rate rebate as set out in paragraph 6.1.~~

6.45.21 Farm-Rural Property

6.45.12.1 ~~Owners or tenants of a farm property of which the property is not categorised being used for agricultural purposes, as agricultural, but which in the opinion of the owner/tenant should be agricultural~~ must apply (refer to section 7.1 of this policy) for to receive the agricultural rate a revaluation and declare in an affidavit,

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that no contraventions of the usage criteria are taking place on the property. The latter will be dealt according to the supplementary valuation process.

~~6.45.12.2~~ Where a property is being used for commercial or industrial purposes, i.e. truck depots, construction yards, restaurants, functioning venue, factories etc, such properties will not qualify for any agricultural ~~tariff-rate~~ or valuation reduction whatsoever.

~~6.4.2.3 Owners or tenants of farms with a residential component with no or limited agricultural activities and who would in terms of this policy not qualify for an agricultural rate, may apply (refer to section 7 of this policy) to be rated at the residential rate to receive the valuation reduction and or rate rebate and declare in an affidavit that no contraventions of the usage criteria take place on the property. The owners of these properties, should they meet the relevant criteria, are not precluded from applying for a Senior Citizens and Disabled Persons Rate Rebate, in terms of this policy's section 6.7.~~

~~6.4.3 Smallholdings~~

~~6.4.3.1 Owners or tenants of smallholdings of which the property is being used for agriculture purposes, must apply, (refer to section 7 of this policy) to receive the agricultural rate and declare in an affidavit, that no contraventions of the usage criteria are taking place on the property.~~

~~6.4.3.2 Where a smallholding is being used for commercial or industrial purposes i.e. truck depots, construction yards, restaurants, functioning venue, factories etc, such properties would not qualify for any rebate or valuation reduction whatsoever.~~

~~6.45.31.3~~ Those properties that are primarily residential in nature will qualify in terms of the definition of residential property for the residential valuation reduction ~~and and/or~~ rate rebate (refer to section ~~7-6.1.1~~ of this policy). The owners of these properties, should they meet the relevant criteria, are not precluded from applying for a Senior Citizens and Disabled Persons Rate Rebate, in terms of this policy's- section 6.~~87~~.

~~6.56~~ Multiple use Properties

Properties with multiple uses as per Section 9 of the MPRA will ~~-be~~ categorised separately as determined by the ~~Stellenbosch MunicipalityMunicipal Valuer~~ and used for billing at the appropriate and applicable rate.

~~6.67~~ Municipal Properties

~~Only municipal properties used by Directorates, will not be rated.~~ All other municipal-owned properties will be exempted from paying property rates, except those municipal properties which are leased in terms of a lease agreement. The latter properties' rates will be passed on to the lessee or included in the rent factor.

~~6.78~~ Senior Citizens and Disabled Persons

Registered owners of properties who are senior citizens and/or who are disabled persons may qualify for special rebates according to gross monthly household income.

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To qualify for the rebate(s) referred to above, a property owner must be a natural person and be the owner of a property, which property satisfies the requirements for the residential ~~rebate~~rate and in addition to the above-mentioned, the property owner must also:

~~6.7.1~~ ~~6.8.1~~ ~~occupy~~Occupy the property as his/ her normal residence; and

~~6.7.2~~ ~~6.8.1.1~~ be at least 60 years of age and in receipt of a pension or

~~6.7.3~~ ~~in~~ receipt of a disability pension from the Department of Social Development; and ~~or~~

~~6.7.4~~ ~~6.8.1.2~~ be in receipt of a total monthly income from all sources (including income of all members of the household permanently residing at that property~~spouses of owners~~) not exceeding R 10 000; and

~~6.7.5~~ ~~6.8.1.3~~ not be the owner of more than one property, ~~and~~but in the case of owning more than one property, it must be noted that a rebate will be granted only on the occupied property; and

~~6.7.6~~ ~~6.8.1.4~~ where the owner is unable to occupy the property due to no fault of his/ her own, the spouse or minor children may satisfy the occupancy requirement; and

~~6.7.7~~ ~~6.8.1.5~~ where the occupant of a residential property is a senior citizen or a disabled person and is the usufructuary of the property, he/she may satisfy the occupancy requirement.

~~6.7.8~~ ~~6.8.2~~ ~~submit~~Submit the application (by 31 May of each year) with proof of income, which can include proof of a SARS assessment, ~~by 31 October of the financial year preceding the year in respect of which the rate is to be levied~~, failing which the rebate will not be granted.

~~6.8.3~~7.9 Any owner who, during a financial year, for the first time, meets all the other criteria above may apply to receive the rebate from the date of receipt by the Stellenbosch Municipality of the application for the remainder of that financial year, whereafter all the criteria of 31 ~~May~~October will apply to applications for subsequent financial years.

~~6.7.9~~ ~~6.8.4~~

Stellenbosch Municipality Council reserves the right to request any additional information as may be deemed necessary.

6.8.5

The percentage rebate granted to different monthly household income levels will be determined according to the schedule below. The income bands and rebates for the 2011/2012/2012-2013 financial year are as follows:

Gross Monthly Household Income		% Rebate	
Salary bands	<u>2011/2012/2012-2013</u>		
Up to		4 500	100%

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From	4 501	To	6 500	75%
From	6 501	To	8 500	50%
From	8 501	To	10 000	25%

6.98 Conservation Land

In terms of Section 17 (1) (e) of the MPRA, ~~Stellenbosch Municipality Council~~ will not levy a rate on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, ~~(Act 57 of 2003 and as amended)~~, or of a national botanical garden within the meaning of the National Environmental Management Biodiversity Act, ~~(Act 10 of 2004)~~, which are not developed or used for commercial, farming or residential purposes. The apportioned value of any portion of such properties utilized for any purpose other than that used for such conservation purposes will be rated accordingly.

6.109 Religious Organisations

In terms of section 17 (1)(i) of the MPRA, the Stellenbosch Municipality will not levy a rate on properties registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship.

6.101 ~~Non-Profit Organizations/~~Public Benefit Organizations (PBO)

~~The Stellenbosch Municipality will apply the rate ratio as set out in the MPRA or may grant a reduction in the rates for the categories of non-profit organisations or the Regulations to public benefit organisations listed below. These categories of properties and owners of properties are deemed to contribute services or benefits to the community and are essentially non-profit organisations. The reductions are considered and granted after applications are made by owners on annual basis. Owners who fail to apply for the rebate by 31 October will not be entitled to the rebate for the following financial year.~~

~~In order to be considered, the organisations listed below must be registered as NPO's under the Non-Profit Organisations Act, 71 of 1997. As per the regulations the specific public benefit activity listed in Item 1 (Welfare and Humanitarian), Item 2 (Health Care), and Item 4 (Education and Development) of Part I of the Ninth Schedule of the Income Tax Act will be applicable. All PBO must submit proof of their status as per the above criteria annually before 31 May.~~

6.12 Non Profit Organizations (NPO)

All organizations listed below and operated by said organisations not-for-gain (declared or registered by law) or organisations that execute activities as per Item 6 (Cultural), item 7 (Conservation, Environment and Animal Welfare) and Item 9 (Sport) of Part 1 of the Ninth Schedule to the Income Tax Act may receive a rebate. All abovementioned organisations must be the owner of said properties.

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These rebates are not applicable to any vacant land irrespective of its zoning or intended usage unless stated otherwise in this policy. All NPO must submit proof of their status as per the above criteria annually before 31 May.

Any NPO which, during a financial year, for the first time, meets the criteria of this section may apply to receive the rebate from the date of receipt of the application for consideration by the Stellenbosch Municipality for the remainder of that financial year, whereafter all the criteria of 31 May will apply to applications for subsequent financial years.

In order to be considered, the organisations listed below must be registered as NPO's under the Non-profit Organisations Act, (Act 71 of 1997).

6.102.1 *Health and welfare institutions*

Privately owned properties used exclusively as a hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution, including workshops used by the inmates, laundry or cafeteria facilities, ~~provided that any profits from the use of the property are used entirely for the benefit of the institution and/or for charitable purposes.~~

~~6.10.2 Educational institutions~~

~~Property owned by not-for-gain institutions (declared or registered by law) and used for educational purposes including a residence registered in the name of the educational institution and used by full-time employees of the educational institution.~~

~~6.10.3 Residential Historical Monuments~~

~~Such properties that meet the definition of residential property will receive the applicable residential rebate and valuation reduction.~~

6.102.42 *Charitable institutions*

Properties ~~owned by not-for-gain institutions or public benefit organisations and are~~ used solely for the performance of charitable work.

6.102.53 *Sporting Bodies*

Properties used predominantly for the purpose of amateur sport and any social activities which are connected with such sports.

6.102.64 *Agricultural societies*

Property owned by agricultural societies affiliated to the SA Agricultural Union used for the purposes of the society.

6.102.75 *Cemeteries and crematoria*

Privately owned properties used as cemeteries and crematoria~~Registered in the name of private persons and operated not for gain.~~

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6.102.86 Cultural institutions

Properties declared in terms of the Cultural Institutions Act, (~~Act 29 of 1969~~ 119 of 1998) ~~or the Cultural Institution Act, Act 66 of 1989.~~

6.102.97 Non Residential Historical Monuments, Museums, libraries, art galleries and non-national botanical gardens

Properties used as non-residential historical monuments, museums, libraries, art galleries and non-national botanical gardens Registered in the name of private persons or organisations, and open to the public ~~and not operated for gain.~~

6.102.108 War veterans

Property registered in the name of a trustee ~~or~~ organisations ~~(as defined in terms of the Social Aid Assistance Act, (Act 66 of 1989~~ 13 of 2004), maintained for the welfare of war veterans and their families.

6.102.119 Youth development organisations

Property owned and/or used by organisations deemed to have youth development objectives such as the Boy Scouts, Girls Guides, or Voortrekkers ~~or organisations deemed by Council to have the same objectives.~~

6.102.120 Animal protection

Property owned or used by institutions/~~or~~ organisations whose exclusive aim is to protect birds, reptiles and other animals ~~on a not-for-gain basis.~~

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7. GENERAL

- 7.1 All applications required in terms of this policy for exemptions, rebates or reductions must be submitted to the Stellenbosch Municipality by 31 ~~May~~~~October~~ of each year, which date the precedes the financial year ~~preceding the year in respect of~~ which the rate is to be levied. If the rebate applied for is granted, the rebate will apply for the full financial year.
- 7.2 Persons who have submitted false information and/or false affidavits will have the exemptions, rebates or reductions withdrawn with effect from the commencement of the financial year in question.
- 7.3 All applications for exemptions, rebates or reductions will require the applicant's municipal accounts to have been paid up to date or the conclusion of a suitable arrangement with the Stellenbosch Municipality as provided for in the Stellenbosch Municipality's Credit Control and Debt Collection By-law and Policy, which may include water saving measures.
- 7.4 Stellenbosch Municipality reserves the right to inspect all properties before or after implementing the applicable rate and to revoke or amend any decision made prior to such investigation.
- 7.5 The Stellenbosch Municipality reserves the right to recover any rates of owners of any properties after the status of said properties have changed.

8. REGULAR REVIEW PROCESSES

This rates policy will be reviewed on an annual basis to ensure that it complies with the Stellenbosch Municipality's strategic objectives and with legislation.

9. LIABILITY FOR AND PAYMENT OF RATES

Liability for and payment of rates is further governed by the MPRA, the Stellenbosch Municipality's Credit Control and Debt Collection Policy, By-Laws and any other applicable legislation.

10. QUANTIFICATION OF COSTS TO MUNICIPALITY AND BENEFITS TO COMMUNITY

The cost to the Stellenbosch Municipality and benefit to the local community in terms of exemptions, rebates, reductions and exclusions referred to in section 17 (1)(a),(e), (g),(h) and (i) of the MPRA and rates on properties that must be phased in terms of section 21 of the MPRA are reflected in the Stellenbosch Municipality's budget.

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11. OBJECTION AND APPEALS

The lodging of an objection or appeal:-

- (i) In terms of section 50 of the MPRA does not defer liability for the payment of rates in terms of this policy; or
- (ii) In terms of section 54 of the MPRA does not defer liability for the payment of rates in terms of this policy.

12. CLEARANCE CERTIFICATES

All monies collected by the Municipality including in respect of Special Rating Areas and any estimated amounts for the duration of the validation period of a certificate in terms of section 118(1A) of the Systems Act, (Act 32 of 2000), or section 89 of the Insolvency Act, (Act 24 of 1936), are for the purpose of section 118, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

- (i) All amounts that are due must be paid in full prior to the issuing of any clearance certificate in terms of section 118, of the Systems Act; and
- (ii) No interest shall be paid by the Municipality to the registered seller in respect of these payments which are deemed to be due

13. ADJUSTMENTS OF RATES PRIOR TO SUPPLEMENTARY VALUATION ROLL

13.1 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of section 118 of the Local Government: Municipal Systems Act, (Act 32 of 2000), and if the Municipality has not yet included such valuation of the relevant property(ies) in a supplementary valuation roll:-

13.1.1 the Municipal Valuer shall conduct a valuation of the relevant property(ies) for purposes of a supplementary valuation; and

13.1.2 the valuation shall be submitted to the CFO for approval of the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office

13.2 Any valuations performed in terms of this section shall be included in the next supplementary roll prepared by the Municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such supplementary valuation roll is made public in terms of section 49 of the MPRA.

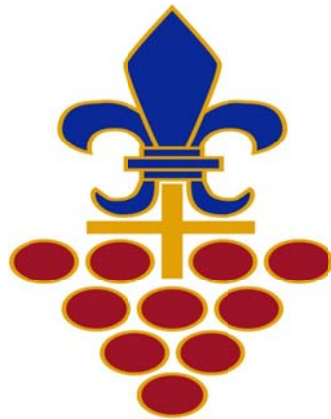
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14 VALUATION ROLL CODES

The Derived Codes as listed below will be used on the Valuation Role and supporting letters or Notices to reflect the applicable Property Valuation Tariff.

<u>Derived Code</u>	<u>Prime Code</u>	<u>Purpose</u>	<u>Supporting references</u>
<u>RES</u>	<u>RES</u>	<u>Residential</u>	<u>MPRA Section 8(2)(a), 17(1)(h) and the Rates Policy paragraph 6.1.1</u>
<u>RES1</u>	<u>RES</u>	<u>Adjoining Residential</u>	<u>Rates Policy paragraph 4.2</u>
<u>REL1</u>	<u>RES</u>	<u>Public Worship (Residential)</u>	<u>MPRA Section 17(1)(i) and the Rates Policy paragraph 6.9</u>
<u>FIS</u>	<u>RES</u>	<u>Formal and Informal Settlement</u>	<u>MPRA Section 8(2)(k) and Provincial reporting requirements</u>
<u>AGR</u>	<u>AGR</u>	<u>Agricultural</u>	<u>MPRA Sections 8(2)(d)(i), 8(2)(e) and 8(2)(f)(i)</u>
<u>PSI</u>	<u>AGR</u>	<u>Public Service Infrastructure</u>	<u>Regulations, MPRA Section 17(1)(a) and the Rates Policy paragraph 6.3</u>
<u>PBO</u>	<u>AGR</u>	<u>Public Benefit Organisation</u>	<u>Regulations, MPRA Section 8(2)(g) and the Rates Policy</u>
<u>PROT</u>	<u>AGR</u>	<u>Protected Areas</u>	<u>MPRA Section 17(1)(e)</u>
<u>NRES</u>	<u>NRES</u>	<u>Non-Residential</u>	<u>MPRA Section 8(2)(c)</u>
<u>IND</u>	<u>NRES</u>	<u>Industrial</u>	<u>MPRA Section 8(2)(b)</u>
<u>POS</u>	<u>NRES</u>	<u>Public Open Spaces</u>	<u>(Vacant property does not apply)</u>
<u>PROS</u>	<u>NRES</u>	<u>Private Open Spaces</u>	<u>(Vacant property does not apply)</u>
<u>MONU</u>	<u>NRES</u>	<u>National Monument</u>	<u>MPRA Section 8(2)(p) and the Rates Policy</u>
<u>NPO</u>	<u>NRES</u>	<u>Non-Profit Organisation</u>	<u>Rates Policy paragraph 6.10</u>
<u>NRESV</u>	<u>NRES</u>	<u>Vacant Non-Residential</u>	
<u>RESV</u>	<u>NRES</u>	<u>Vacant Residential</u>	
<u>RELIG</u>	<u>NRES</u>	<u>Public Worship</u>	<u>MPRA Section 17(1)(i) and the Rates Policy paragraph 6.9</u>
<u>MUNR</u>	<u>RES</u>	<u>Municipal Owned: Residential</u>	<u>MPRA Section 8(2)(h) and the Rates Policy</u>
<u>MUNA</u>	<u>AGR</u>	<u>Municipal Owned: Agricultural</u>	<u>MPRA Section 8(2)(h) and the Rates Policy</u>
<u>MUNB</u>	<u>NRES</u>	<u>Municipal Owned: Business</u>	<u>MPRA Section 8(2)(h) and the Rates Policy</u>
<u>MUNRR</u>	<u>RES</u>	<u>Municipal Owned: Residential</u>	<u>Rented or Leased property (No Rebates may be applied)</u>
<u>MUNAR</u>	<u>AGR</u>	<u>Municipal Owned: Agricultural</u>	<u>Rented or Leased property (No Rebates may be applied)</u>
<u>MUNBR</u>	<u>NRES</u>	<u>Municipal Owned: Business</u>	<u>Rented or Leased property (No Rebates may be applied)</u>
<u>MUNP</u>	<u>AGR</u>	<u>Municipal Owned: PSI</u>	<u>MPRA Section 7(2)(a)(ii) and 8(2)(h)</u>

STELLENBOSCH MUNICIPALITY



SUPPLY CHAIN MANAGEMENT POLICY

REVISED
2012/2013

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PREAMBLE

We, the people of the greater Stellenbosch, Recognise the injustices of our past;
Honour those who suffered for justice and freedom in our municipal area;
Respect those who have worked to build and develop our municipal area; and
Believe that the greater Stellenbosch belongs to all who live in it, united in our diversity.
We therefore, through our public representatives, officials and people adopt this Policy so as to -

- Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;
- Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law;
- Improve the quality of life of all citizens and free the potential of each person; and
- Build a united, non-racist, non-sexist, democratic and prosperous greater Stellenbosch.

May God protect all our people.

Nkosi Sikelel' iStellenbosch. Morena boloka setjhaba sa heso.

God seën Stellenbosch. God bless Stellenbosch.

Therefore the policy on Supply Chain Management seeks to:

- Foster recognition, understanding and appreciation of the previously disadvantaged groups;
- Guide the development and implementation of policies and practices of the Supply Chain Management, and;
- Ensure that people of all cultures receive fair and equitable treatment, benefit and protection under policies and practices of the Supply Chain Management.

CHAPTER 1: INTRODUCTION

1.1 Introduction

Section 217 of the Constitution of the Republic of South Africa, 1996 requires an organ of state to contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive and cost effective. This policy will assist the Stellenbosch Municipality to continue to redress the skewed Employment and Ownership Patterns in the greater Stellenbosch.

This policy will achieve the above by providing procurement and employment opportunities to Historically Disadvantaged Individual's (HDI) and disadvantaged communities. It will enable socio-economic transformation objectives to be linked to *fair, transparent, equitable, competitive and cost effective* procurement practices that will encourage the entry of emerging business into Stellenbosch Municipality procurement, transformation and empowerment within nascent businesses, and the use as an instrument of Local Economic Development (LED) and redistribution.

1.2 Principles

In pursuance of these stated objectives the Stellenbosch Municipality commits itself to the following goals:

- 1.2.1 To impact significantly on improving the quality of life of the people of the greater Stellenbosch;
- 1.2.2 Growing the local economy by promoting the competitiveness of local businesses;
- 1.2.3 Ensure redress of inherited skewed ownership patterns and opportunities for the people of greater Stellenbosch with reference to previously disadvantaged groupings;
- 1.2.4 Continuing improvement in value for money;
- 1.2.5 Enhance competitiveness;
- 1.2.6 Enhance efficient and effective procurement practices;
- 1.2.7 Enhance integrity, honesty, transparency and combat corruption; and
- 1.2.8 Stimulate and promote local economic development in a targeted and focused manner.

1.3 Implementation Orientation

- 1.3.1 Increased Usage of Local Resources;
- 1.3.2 Redressing of Skewed Employment and Ownership Patterns through BBBEE aims;
- 1.3.3 Creation of Opportunities for job creation in order to alleviate poverty;
- 1.3.4 Stimulation of Skills Development and Transfer; and
- 1.3.5 Fast tracking the growth and Ensuring Sustainability of SMME's.

1.4 Legislative Framework

- 1.4.1 The Constitution of the Republic of South Africa, 1996 (as amended), Section 217
- 1.4.2 The Municipal Finance Management Act, 2003 (Act 56 of 2003) and the Regulations on Supply Chain Management enacted in terms thereof,
- 1.4.3 The Municipal Systems Act, 2000 (Act 32 of 2000),
- 1.4.4 Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
- | 1.4.5 Preferential Procurement Policy Framework Regulations of 2001 and 2011
- 1.4.6 The Labour Relations Act, 1995 (Act 66 of 1995)
- 1.4.7 Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)
- 1.4.8 Any other current or subsequent applicable legislation

CHAPTER 2: ROLES, RESPONSIBILITIES AND FUNCTIONS

2.1 Management Responsibility

2.1.1 The ultimate responsibility to ensure that the Stellenbosch Municipality delivers in accordance with its strategic vision that lies with the respective line function components. With regard to Supply Chain Management, it will be the responsibility of the relevant line managers to:

- a) Understand and plan for their future needs.
- b) Identify critical delivery dates in consultation with the Supply Chain Management unit.
- c) Ensure that the necessary funds are available for the products or services to be procured.
- d) Draft specifications.
- e) Timeously provide the Supply Chain Management Unit (the unit) with all the necessary information to arrange for the acquisition of the goods and/or services required.
- f) Provide technical input on bids during the evaluation process.
- g) Entering into Service Level Agreement's, providing for quality control and follow up.

2.1.2 Functions of the unit

The Supply Chain Management Unit of the Stellenbosch Municipality will perform the following functions:

- a) Rendering of all administrative support to the line function managers, Bid Adjudication Committee and the delegated persons in the performance of their duties.
- b) Monitor award of bids for compliance to all legislative and municipal requirements.
- c) Communicate with service providers up until contract has been awarded.
- d) Contribute towards the finalisation of bid specifications in line with the Accounting Officer's delegations.
- e) Procure goods and services for the Stellenbosch Municipality.
- f) Act as secretariat to the Bid Adjudication Committee/Subcommittee. This implies that the unit will be responsible for the preparation and presentation of cases to the Bid Adjudication Committee.
- g) Report on Supply Chain Management matters as prescribed.
- h) Ensure compliance with the Accounting Officer's delegations on Supply Chain Management.
- i) Corporate Services to administer all contracts emanating from the SCM section.
- j) Report on achievements in terms of preferential procurement and recommend changes, if any.
- k) Any other functions the Accounting Officer deems necessary to ensure efficiency.

2.1.3 Responsibilities of the Unit

In line with Municipal delegations, the Supply Chain Management Unit will have the following responsibilities:

- a) To procure on behalf of the Stellenbosch Municipality.
- b) To recommend the amendment, unbundling, cancellation and/or ceding of contracts to the Accounting Officer.
- c) To act as the administrative arm of the procurement function of the Stellenbosch Municipality.
- d) Negotiate acceptable prices with service providers as stipulated in the Regulations.
- e) Negotiate and conclude agreements with suppliers.
- f) To support the broad strategic objectives of the Stellenbosch Municipality as it relates to Supply Chain Management.

2.1.4 The responsibilities of the Bid Adjudication Committee

The Bid Adjudication Committee will operate within the following procedural framework:

- a) Prior to commencement of meetings, members of the committee must sign a register declaring their interest in a bid (if any) under consideration.
- b) A quorum is at least two-thirds of the members.
- c) Conducts scheduled meetings at least every two weeks and ad-hoc meetings when necessary.
- d) Keep minutes with a record of recommendations made.
- e) Recommendations will be based on a majority vote. Where an equal vote exists, the Chairperson will cast a deciding vote.
- f) Adhere to all legislation on Supply Chain Management and ensure adherence to the implementation of the Municipal Preferential Procurement Policy Plan.
- g) The operation of the committee is limited to the approved system of delegations.

2.1.5 Training of supply chain management officials

The training of officials involved in implementing this policy should be in accordance with any Treasury guidelines on supply chain management training.

2.2 Delegation of Authority

This entire Policy will be implemented within Council's approved system of delegations. The delegated persons will perform all relevant delegations issued by the Accounting Officer. Persons acting officially in a certain rank may exercise the delegations assigned to that rank unless the delegation specifies otherwise. If a person has failed to comply with the requirements in exercising the delegations and this resulted in irregular, fruitless and wasteful expenditure, disciplinary actions can be instituted against the delegated person. The delegations will be revised **annually**. The Council or Accounting officer may **not** delegate or sub delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality. This may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than

through the committee system. No supply chain management decision-making powers may be delegated to an advisor or consultant.

To the extent that it may be necessary, Council authorises the Municipal Manager to delegate or sub-delegate to a staff member any power conferred on the municipal manager in terms of the MFMA and the Supply Chain Management Regulations relating to supply chain management insofar that the legislation allows for sub-delegation.

Notwithstanding the delegations, the Head of Supply Chain Management is authorised to amend orders that was subject to price fluctuations within 2.5 percent of the contract value after satisfying himself with the reason /s for the amendment.

2.3 Oversight Role of Council

(1) The Council must maintain oversight over the implementation of this policy.

(2) For the purposes of such oversight the Accounting Officer must –

(a) within 30 days of the end of each financial year, submit a report on the implementation of the Supply Chain Management Policy of the municipality to the council of the municipality; and

(b) whenever there are serious and material problems in the implementation of such Supply Chain Management Policy, immediately submit a report to the Council.

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(3) The Accounting Officer must, within **ten (10) working days of the end of each quarter**, submit a report on the implementation of the Supply Chain Management Policy to the Mayor.

(4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

2.4 Approval Authority

All the amounts in the table below are inclusive of VAT and the specific goals applicable to bids also apply to quotations. The amount categories as indicated shall be amended as and when the relevant policy change.

MONETARY VALUES	CONDITIONS ATTACHED TO PROCUREMENT
R0 – R2 000	Direct Purchases-par – 4.8
R2 001 – R10 000	- Three written quotations will be required from suppliers listed on the database where possible. Reasons must be listed, if not possible. (SCM Reg 17) - The supplier of the lowest quotation is to be appointed, provided that goods and/or services could be supplied immediately and are of the required standard. (Price, Quality and Availability) - Normal items: The Buyer will re-order on the agreed minimum stock level. - For the purchasing of non-stock items authorisation is required in accordance with delegations. - Prices from suppliers will always be used for comparison. - Frequency of same suppliers must be limited to a reasonable degree and monitored. - Ensure a reasonable spread of suppliers.
R10 001 – R200000	<u>Offers below R30 000 (VAT included)</u> - Must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price. - Three written quotations will be required from suppliers listed on the database where possible. Reasons must be listed, if not possible. (SCM Reg 17) <u>Offers of R30 000 (VAT included) and above</u> - Are subject to the preference points system (PPPFA and associated regulations) and must be dealt in accordance with the Council's Procurement Policy. - Three written quotations are required through a competitive bidding process which entails advertisement.
R200 001 –R10000 000	Public bid - for finalisation by the Bid Adjudication Committee chaired by the Chief Financial Officer.
Above R10000 000	Public bid (Municipal Manager/ Accounting Officer)

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2.5 List of centres for advertisements for R30 001.00 and above.

A list of all centres where these quotations are advertised and / or obtained is to be compiled. These are to be as wide as possible and should include:

- a) Official Notice Boards
- b) Official Website

CHAPTER3: PREFERENTIAL PROCUREMENT

3.1 Introduction

Stellenbosch Municipality acknowledges that designated groups have been excluded from meaningful participation in the mainstream of the economy and that it is required to address the economic imbalances and lead to increased equalization of opportunity in business. The Stellenbosch Municipal Supply Chain Management Policy seeks to encourage socio-economic transformation within the area of Stellenbosch. To achieve this, empowerment goals have been set, which aim to redress the skewed distribution of wealth and therefore contribute to the alleviation of poverty. Stellenbosch Municipality Supply Chain Management Policy must encourage increased usage of local resources, stimulation of skills development and transfer, fast tracking the growth and ensuring sustainability of SMME's. The Supply Chain Management Policy will form the basis of the evaluation criteria used in the evaluation of quotations and bids; as it is embodied from the principles as pertain in the Preferential Procurement Regulations, 2001 (which pertain to the Preferential Procurement Policy Framework Act (Act No 5 of 2000), as well as the revised Preferential Procurement Regulations of 2011.

3.2 THE 80/ 20 PREFERENCE POINTS SYSTEM

~~[Applicable as from the 07 December 2011]~~

- 3.2.1 For all quotations and bids with an estimated value between **R30,001.00** and **R1 000 000.00**; preference points will be allocated as follows:

	POINTS
Value for money substantially to specification (price and functionality)	80
B-BBEE Status level of contributor	20
Total	100

- 3.2.2 The following formula must be used to calculate the points for price in respect of quotations/ bids with a Rand value equal to, or above **R30,001.00** and up to a Rand value of **R1 000, 000, 00**

$$Ps = 80 \left[1 - \frac{Pt - P \min}{P \min} \right]$$

Ps = Points scored for comparative price of tender or offer under consideration;
Pt = Comparative price of tender or offer under consideration; and
Pmin = Comparative price of lowest acceptable tender or offer.

- 3.2.3 The points scored by a tenderer in respect of B-BBEE contribution contemplated in 3.3.4 must be **added** to the points scored for price as calculated in accordance with 3.3.2.

3.2.4 Application of 20 points must be awarded to a tenderer for attaining the B-BBEE status level of contributor in accordance with the table below.

B-BBEE Status Level of Contributor	Number of Points
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

3.2.5 Bidders other than Exempted Micro Enterprises must submit to Stellenbosch Municipality their original and valid B-BBEE status level verification certificate, or a certified copy thereof, substantiating their B-BBEE status level of contributor.

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3.2.6 Submission of such certificates must comply with the requirements of instructions and guidelines issued by the National Treasury and be in accordance with notices published by the Department of Trade and Industry in the Government Gazette.

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3.2.7 Bidder who fail to submit the required certificates or certified copies thereof will be deemed to be non-compliant contributors.

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3.2.8 For the purposes of transparency and fairness, bidders shall, in respect of all competitive bids (over R200 000), be required to claim, in their bid submission, a preference in accordance with their B-BBEE status.

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3.2.9 Notwithstanding what is contained within the bid submission, preference points will be allocated during the bid evaluation process in accordance with the verified B-BBEE Status level (or deemed status level) of contributor.

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3.3 THE 90/ 10 PREFERENCE POINTS SYSTEM

~~[Applicable as from the 07 December 2011]~~

3.3.1 For all bids with an estimated value equal to or above **R1 000, 001.00**, preference points will be allocated as follows:

	POINTS
Value for money substantially to specification (price and functionality)	90
B-BBEE Status level of contributor	10
Total	100

3.3.2 The following formula must be used to calculate the points for price in respect of quotations/ bids with a Rand value equal to or above **R1 000, 001. 00**

$$Ps = 90 \left[1 - \frac{Pt - P \text{ min}}{P \text{ min}} \right]$$

Ps = Points scored for comparative price of tender or offer under consideration;

Pt = Comparative price of tender or offer under consideration; and

Pmin = Comparative price of lowest acceptable tender or offer.

3.3.3 The points scored by a tenderer in respect of B-BBEE contribution contemplated in 3.5.4 must be **added** to the points scored for price as calculated in accordance with 3.5.2.

3.3.4 Application of 10 points must be awarded to a tenderer for attaining the B-BBEE status level of contributor in accordance with the table below.

B-BBEE Status Level of Contributor	Number of Points
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

3.3.5 Bidders other than Exempted Micro Enterprises must submit to Stellenbosch Municipality their original and valid B-BBEE status level verification certificate, or a certified copy thereof, substantiating their B-BBEE status level of contributor.

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3.3.6 Submission of such certificates must comply with the requirements of instructions and guidelines issued by the National Treasury and be in accordance with notices published by the Department of Trade and Industry in the Government Gazette.

3.3.7 Bidder who fail to submit the required certificates or certified copies thereof will be deemed to be non-compliant contributors.

3.3.8 For the purposes of transparency and fairness, bidders shall, in respect of all competitive bids (over R200 000), be required to claim, in their bid submission, a preference in accordance with their B-BBEE status.

3.3.9 Notwithstanding the points claimed on a bid submission, preference points will be allocated during the bid evaluation process in accordance with the verified B-BBEE Status level (or deemed status level) of contributor.

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3.4 EVALUATION OF BIDS ON FUNCTIONALITY AND PRICE

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3.4.1 Stellenbosch Municipality must indicate in the invitation to submit a tender, if that tender will be evaluated on functionality.

3.4.2 The evaluation criteria for measuring functionality must be objective.

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3.4.2 When evaluating tenders on functionality, the –

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- (a) Evaluation criteria for measuring functionality;
- (b) Weight for each criterion;
- (c) Applicable values; and
- (d) Minimum qualifying score for functionality,

Must be clearly specified in the invitation to submit a tender.

3.4.3 No tender must be regarded as an acceptable tender, if it fails to achieve the minimum qualifying score for functionality as indicated in the tender invitation.

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3.4.4 Tenders that have achieved the minimum qualification score for functionality must be evaluated further in terms of the preference point systems, described in 3.3 and 3.5

3.4.5 Please refer for further guidance regarding evaluation of bids based on functionality and price; to the **National Treasury MFMA Circular No.53 – Amended guidelines in respect of Bids that include Functionality as a criterion for evaluation.**

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3.4.6 The norm for the minimum qualifying score for functionality shall be 70% of the total possible score. For more specialised or complex projects the minimum score may, at the discretion of the Bid Specifications Committee, be increased to up to 80% of the total possible score. Any setting of a minimum score higher than 80% of the total possible score must be motivated to, and approved by, the Head: SCM prior to use.

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CHAPTER4: SUPPLY CHAIN MANAGEMENT SYSTEM

4.1 Demand Management

The demand management includes the analysis of the end users needs as well as the analysis of budget for the goods/service requirements. The Supply Chain Practitioner must work together with the end user to determine their requirements, to discuss the delivery times, price, location etc.

4.2 Acquisition Management

4.2.1 Procurement Prerequisites

- a) This function covers all requirements that have been identified for procurement by the Stellenbosch Municipality. Additional requirements have been identified for the procurement of goods and services, consultants, plant hire and service providers. No written quotation or bid will be considered should the information below be omitted:
 - (i) Full name of the service provider;
 - (ii) Proof of company registration and / or any other form of legal standing must be submitted by all bidders (Identification Number).
 - (iii) Tax Reference Number and VAT registration number, if any;
 - (iv) A current, original and valid Tax Clearance certificate from South African Receiver of Revenue Services (SARS) certifying that the taxes of the bidder are in order or that suitable arrangements have been made with SARS to bring them in order. The Tax certificate will be reworded at the allocated space for the VAT number with the words "Compulsory if turnover is more than R300 000". Where the person is not required to be registered for VAT, the Receiver of Revenue will write "not required to register" next to the allocated space for the VAT registration number. Bid price include VAT. Certified and faxed copies of an original and valid tax clearance certificate will **not** be accepted.
 - (v) a Declaration of Interest MBD4 form (including nil responses).

The following information must be indicated by the service provider:

 - whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in paragraph 4.2.1 (a) (v) is in the service of the state, or has been in service of the state in the previous twelve months.
- b) Bid documents must remain intact and no portion may be detached.
- c) The bid checklist must be completed.
- d) Please note that the information required under section 4.2.1(a) must be read in conjunction with the requirements as stipulated within the Bid documentation, to determine if it is applicable

4.2.2 All Professional Service Providers must submit the following information:

- a) Proof of registration with the relevant Professional Body, e.g. The Engineering Council of South Africa.
- b) Professional indemnity and type of cover.
- c) Written proof of Joint Ventures disclosing Joint Venture partnerships (reflected as percentages).
- d) Proof of company composition.

4.2.3 All Service providers must submit the following information required:

- a) Should the service provider wish to sub contract any portion of the works, the service provider must submit details of subcontract together with names of sub-service provider to the Municipality.

~~b) A Bidder that has been awarded a contract may not sub-contract more than 25% of the value of the contract to enterprises that do not have an equal or higher B-BBEE status level than the bidder concerned, unless the sub-contractors are Exempted Micro Enterprises that have the capability and ability to execute the sub-contract. Compliance with this particular requirement is ultimately the duty and responsibility of the relevant end user department, irrespective thereof if a consulting engineer has been appointed to oversee project management and When implementation. When subcontracting to Non-HDI owned companies, subcontracting will be restricted to a maximum of 25% of the total contract value.~~

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~~c) When subcontracting to an HDI owned company, there will be a 50% restriction.~~

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~~d) If details of sub contract are not disclosed, the bid will be set aside.~~

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~~e) If the subcontracting firm has been involved with Municipality previously and has performed poorly and/or has been involved in any irregular activities, the tender may be set aside.~~

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~~f) No sub-service providers are to further sub contract any portion of the work without disclosing details to Stellenbosch Municipality for approval prior to commencement of work.~~

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~~g) Submit proof of Joint Ventures disclosing joint venture partnerships (percentage or names or any other details required by Stellenbosch Municipality).~~

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~~h) The company composition of the subcontracting firm must be disclosed.~~

~~i) If a company is registered with a professional body, a copy of such registration must be included in the bid document.~~

4.2.4 System of Acquisition Management

- a) A supply chain management policy must provide for an effective system of acquisition management in order to ensure-
 - (i) that goods and services are procured by the Municipality or municipal entity in accordance with authorised processes only;
 - (ii) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
 - (iii) that the threshold values for the different procurement processes are complied with;
 - (iv) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
 - (v) that any Treasury guidelines on acquisition management are properly taken into account.
- b) A supply chain management policy, except where provided otherwise in these Regulations, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –

- (i) water from the Department of Water Affairs or a public entity, another municipality or a municipality entity; and
- (ii) electricity from ESKOM or another public entity, another municipality or a municipality entity.

- c) A municipality or municipal entity procuring goods or services contemplated in section 110(2) of the Act must make public the fact that it procures such goods or services otherwise than through its supply chain management system, including –
 - (i) the kind of goods or services; and
 - (ii) the name of the supplier.

4.3 Procurement of Goods and Services

- 4.3.1 The procurement of goods and services between the value R0 and R200 000 falls within the scope of the Head of Supply Chain Management. That all awards from R200 001.00 be subject to the Supply Chain committee system as per the delegations. The Preferential Procurement Regulation will be followed by the responsible Supply Chain Official to ensure the alignment with the empowerment goals set out in Chapter 3.
- 4.3.2 The names of all service providers/suppliers has been established and will be updated annually where upon preferred service providers/ suppliers will be selected in terms of the empowerment goals set up in Chapter 3.
- 4.3.3 The Municipality will place annually advertisements in the local print media inviting vendors wishing to be included on the approved supplier database.
- 4.3.4 Applicants must submit with their application for registration on the supplier database the following:
 - a) A declaration of good standing in respect of the Stellenbosch Municipality's debts;
 - b) Original and valid tax clearance certificate, if applicable;
 - c) local office address in the jurisdiction of the Stellenbosch Municipality, if any;
 - d) company registration with the Registrar of Businesses; and
 - e) registration with a Professional Body where required.
- 4.3.5 The Procurement Manager/official will submit a quarterly report on the procurement of goods and services in this category. Analysis will be provided on achievements or failure with the set of goals.

4.4 Bidding processes

- 4.4.1 It is the prerogative of the Accounting Officer of the Municipality to decide on the manner in which the market will be approached. There are two types of processes that can be followed, which is:
 - a) Formal Bidding Process.
 - b) Limited bidding process.
- 4.4.2 Formal Approach, the requisition is received from the user. The buyers will complete the formal bidding process and advertise in terms of the Supply Chain Regulations unless otherwise approved by the Accounting Officer.
- 4.4.3 Limited bidding- this process is used only in instances that require specialized knowledge, experience, sole suppliers and single source appointments..

4.5 Waiving Tender Procedures or Prerequisites

- 4.5.1 The waiver will be allowed at the discretion of Municipal Manager in exceptional cases where a surety, guarantee or bridging finances cannot be accessed through any financial institution and written proof thereof must be submitted to Stellenbosch Municipality of bid shall only be allowed in exceptional circumstances by the Municipal Manager. In circumstances where the goods/ services required within the Municipal Manager's delegated authority proof of Sole Supplier/Service Provider must be provided with motivating report why such procedures/prerequisites should be waived. Reasons must be justifiable. The Municipal Manager's approval will be required in such circumstances.
- 4.5.2 The procurement official will report on compliance in terms of this in the Quarterly Procurement Report, and where deviation occurs in terms of the reporting to the Municipal Manager or Executive Mayor, the necessary disciplinary Procedures will be instituted in terms of the Stellenbosch Municipality's Code of Conduct to prohibit unethical behaviour by officials.

4.6 Calling for Bids and Quotations

- 4.6.1 Bids and quotations must be invited by the unit and will have a predetermined closing time and date. As required by the Supply Chain Management policy, bids must at least be advertised in an accessible manner, including the local media. Other publication media may only be used if beneficial and cost effective for the municipality.
- 4.6.2 The Stellenbosch Municipality aims at improved access to information, simplification of documentation, and being easily accessible to all citizens within its area of jurisdiction.
- 4.6.3 Stellenbosch Municipality official language for communication with regards to placement of notices for formal quotations and bids is **English**.

4.7 Accredited suppliers

- 4.7.1 The accounting officer must-
- Keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
 - at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
 - specify the listing criteria for accredited prospective providers; and
 - disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- 4.7.2 The list must be updated at least **quarterly** to include any additional prospective providers and any new commodities or types or services. Prospective providers must be allowed to submit applications for listing at any time.

4.7.3 The list must be compiled per commodity and per type of service.

4.8 Direct Purchases below R 2 000.00

4.8.1 The conditions for the procurement of goods and services by means of petty cash purchases are governed by the Petty Cash Policy of Stellenbosch Municipality and therefore SCM Regulation 15 will not apply to the SCM Policy of Stellenbosch Municipality

4.9 Verbal quotations are only allowed in emergency circumstances

4.10 Conditions for Written or verbal quotations

4.10.1 The conditions for the procurement of goods and services through written or verbal quotations are as follows:

- a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Stellenbosch Municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraphs 4.7.1, 4.7.2 and 4.7.3 of this Policy consistent with Paragraph 2.3;
- b) to the extent feasible, providers must be requested to submit such quotations in writing;
- c) if it is not possible to obtain at least three quotations, the reasons must be **recorded and reported quarterly to the accounting officer or another official designated by the accounting officer (The power to approve has been subdelegated to the Head: SCM as per the approved System of Delegation).**

d)

Transactions that fall within the ambit of this clause, shall not be treated as a deviation as envisaged by sub section 4.36.1(a).

The following shall be deemed as examples of not being in a position to obtain three written or verbal quotations namely:

(i) In the event of any contract relating to the publication of official and legal notices and advertisements in the media by or on behalf of the Stellenbosch Municipality, in which event there is no requirement for a competitive bidding process to be followed;

(ii) In the event of strip and quote transactions or ad-hoc repairs to plant, equipment and machinery where it is not possible to ascertain the nature or extent of the work required in order to call for quotations. It will be required that work be conducted by an authorised agent or manufacturer and where possible, the rotation principle must be applied. Approval of such transactions is subject to the requirement of only authorized signatures, I.E Managers directly accountable to the respective Directors on the formal requisition.

e)

- d) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and

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- f)
- e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

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4.11 Formal written price quotations

4.11.1 The conditions for the procurement of goods or services through formal written price quotations are as follows:

- a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the Stellenbosch Municipality;
- b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraphs 4.7.1 to 4.7.3 of this Policy;
- c) that if it is not possible to obtain at least three quotations, the reasons must be **recorded and approved by the Chief Financial Officer or an official designated by the Chief Financial Officer (The power to approve has been sub delegated to the Head: SCM as per the approved System of Delegation);**

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Transactions that fall within the ambit of this clause, shall not be treated as a deviation as envisaged by sub section 4.36.1(a).

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The following are possible examples of not being in a position to obtain three formal written price quotations namely:

(i) In the event of any contract relating to the publication of official and legal notices and advertisements in the media by or on behalf of the Stellenbosch Municipality, there is no requirement for a competitive bidding process to be followed;

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(ii) In the event of strip and quote transactions or ad-hoc repairs to plant, equipment and machinery where it is not possible to ascertain the nature or extent of the work required in order to call for quotations. Requirement that work must be conducted by an authorised agent or manufacturer and where possible, the rotation principle must be applied. Approval of such transactions is subject to a recommendation by the respective manager directly accountable to the director where the transaction value is above the monetary value of R 30 000 (VAT Inclusive) after which only the director can approve same by placing his/her signature with an indication of the reason on the requisition.

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- e) (d) and e) the accounting officer must record the names of the potential providers and their written quotations.

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4.11.2 A designated official referred to in sub regulation (1)(c) must within three days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that sub regulation.

4.12 Procedures for procuring goods or services through written or verbal quotations and formal written price quotations

The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations is as follows:

- a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis, par 2.3;
- b) that all requirements in excess of or equal to R30 001.00 (VAT included) procured by means of formal written price quotations, must in addition to the requirements of section 4.11, be advertised for at least seven days with a predetermined closing date and time on the website and an official notice board of the municipality or municipal entity;
- c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub-delegation;
- e) offers equal to or below R30 000 (VAT included) must be awarded based on compliance to specification and conditions of contract, ability and capability to deliver the goods and services and lowest price; and
- f) acceptable offers, which are subject to the preference points system(PPPFA and associated regulations), must be awarded to the bidder who scored the highest points.

4.13 Competitive bids

- a) Goods or services equal to or above a transaction value of R200 001.00 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 4.14 of this Policy.
- b) No requirement for goods or services equal to or above an estimated transaction value of R200 001.00 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

4.14 Process for competitive bidding

The procedures for the following stages of a competitive bidding process are as follows:

- a) Compilation of bidding documentation as detailed in paragraph 4.15;
- b) Public invitation of bids as detailed in paragraph 4.16;
- c) Site meetings or briefing sessions (If deemed compulsory; Bids received from interested bidders that did not attend or arrived later than predetermined date and time, will be **disqualified**) as detailed in paragraph 4.21.2(e);
- d) Handling of bids submitted in response to public invitation as detailed in paragraph 4.17;
- e) Evaluation of bids as detailed in paragraph 4.21;
- f) Award of contracts as detailed in paragraph 4.27;
- g) Administration of contracts
- h) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
- i) Proper record keeping

- i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

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4.15 Bid documentation for competitive bids

The criteria to which bid documentation for a competitive bidding process must comply, must –

- a) take into account –
 - (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
- b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
 - (1) for the past three years; or
 - (2) since their establishment if established during the past three years;
 - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
 - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

4.16 Public invitation for competitive bids

4.16.1 The procedure for the invitation of competitive bids, is as follows:

- a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the Stellenbosch Municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
- b) the information contained in a public advertisement must include –
 - (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph 4.23.1 of this policy;

- (ii) a statement that bids may only be submitted on the bid documentation provided by the Stellenbosch Municipality; and
- (iii) date, time and venue of any proposed site meetings or briefing sessions.;

4.16.2 The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official process.

4.16.3 Bids submitted must be sealed.

4.16.4 Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

4.17 Procedure for handling, opening and recording of bids

The procedures for the handling, opening and recording of bids, are as follows:

- a) Bids–
 - (i) must be opened only in public;
 - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - (iii) received after the closing time should not be considered and returned unopened immediately.
- b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
- c) No information, except the provisions in subparagraph 4.28, relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
- d) The accounting officer must –
 - (i) record in a register all bids received in time;
 - (ii) make the register available for public inspection; and
 - (iii) publish the entries in the register and the bid results on the website.

4.18 Negotiations with preferred bidders

4.18.1 The accounting officer or delegated official may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –

- a) does not allow any preferred bidder a second or unfair opportunity;
- b) is not to the detriment of any other bidder; and
- c) does not lead to a higher price than the bid as submitted.

4.18.2 Minutes of such negotiations must be kept for record purposes.

4.19 Two-stage bidding process

4.19.1 A two-stage bidding process is allowed for –

- a) large complex projects;
- b) projects where it may be undesirable to prepare complete detailed technical specifications; or
- c) long term projects with a duration period exceeding three years.

4.19.2 In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

4.19.3 In the second stage final technical proposals and priced bids should be invited.

4.20 Committee system for competitive bids

4.20.1 A supply chain management policy must provide for a committee system for competitive bids consisting of at least

- a) a bid specification committee;
- b) a bid evaluation committee; and
- c) a bid adjudication committee;

4.20.2 The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and

4.20.3 A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee only when this is appropriate for ensuring fairness and promoting transparency.

4.20.4 The committee system must be consistent with –

- a) Bid specification committee
- b) Specification committee
- c) Bid Adjudication

4.20.5 The accounting officer may apply the committee system to formal written price quotations.

4.21 Bid specification committees and Bid Evaluation Committees

4.21.1 A bid specification committee must compile the specifications (for competitive bidding or any other procurement of a technical nature) for goods or services by the Stellenbosch Municipality.

4.21.2 Specifications–

- a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
- b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
- c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
- d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
- e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
- f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001; and

- g) must be approved by the accounting officer or delegated official prior to publication of the invitation for bids in terms of competitive bids.

4.21.3 A **bid specification committee** must be **composed of one or more officials** of the Stellenbosch Municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.

4.21.4 No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

4.21.5 Evaluations –

- a) A bid evaluation committee must –
 - (i) evaluate bids in accordance with –
 - (1) the specifications for a specific procurement; and
 - (2) the points system ;
 - (ii) evaluate each bidder's ability to execute the contract;
 - (iii) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;
 - (iv) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
- b) A **bid evaluation committee** must as far as possible be **composed of**-
 - (i) officials from departments requiring the goods or services; and
 - (ii) at least one supply chain management practitioner of the supply chain management unit

4.22 Process

4.22.1 Bids notices are to be advertised in all relevant media and will be distributed and displayed on all local municipality notice boards within the Stellenbosch Municipality area of jurisdiction.

4.22.2 Stellenbosch Municipality will co-ordinate all tender notices by local municipalities within its area of jurisdiction and develops a monthly tender bulletin.

4.22.3 Bid information and Stellenbosch Municipality Procurement Policy will also be available on the Stellenbosch Municipality Website.

4.22.4 Bid adjudication criteria will be included in all bid documents.

4.22.5 Pre-bid meeting may be a standard requirement of the bid process in order to obtain details for the bid requirements and answer questions from prospective bidders.

4.22.6 All bid notices will contain the following information:

- a) Full details of the Stellenbosch Municipality contact official including:
 - (i) Telephone number
 - (ii) Fax number

- (iii) E-mail address
- b) Closing date and time of bid.
- c) Physical address for depositing bids.
- d) When and where bids will be opened.

4.23 All bids will be opened in public

4.23.1 The normal closing period for bids is 14 days and 30 days for transactions above R10 million, after advertising, if supplies are expected to be in stock in the Republic of South Africa or manufactured from material, which is available in the RSA.

4.23.2 Shortening of the closing date will only be allowed provided that:

- a) A submission was made to the Supply Chain Manager.
- b) The latter made a positive recommendation.
- c) The relevant delegated person took a decision in support of the recommendation.
- d) The minimum period for such bids is 5 working days.

4.23.3 In the interest of uniformity, fairness and in order to maintain the bidders' confidence in the system, it is essential that a definite cut-off time is set for submitting bids and it must be strictly observed. The cut-off time for bids is 12:00 pm on the day indicated on the bid documents.

4.23.4 Advertisements for bids are to be cancelled (unless remedied with all collecting parties of bid documentation) and fresh bids invited if conditions or specifications or any other information has changed before the closing time or if mistakes have been discovered in the documents before the closing time.

4.23.5 The cancellation of a bid must be approved by the Head: SCM. Approval is subject to 4.23.4

~~4.23.5 The cancellation of a bid must be a report being submitted to the Head: SCM, substantiating the reasons for cancellation, recommended by the Bid Adjudication Committee and approved by the delegated person and communicated to all parties. This paragraph is not applicable if no responsive bids were received.~~

A bid may be cancelled before the award is made if:

- The circumstances have changed, i.e. there is no longer a need for the goods, works or services offered or,
- Funds are no longer available to cover the total envisaged expenditure.
- No acceptable tenders are received.

The decision to cancel a tender must be published in the Government Tender Bulletin or the media in which the original tender invitation was advertised.

4.23.6 In the case of an advertised bid, the bid closing date may be postponed only if the postponed date can be advertised in the local media at least one week before the original closing date. A bid's closing time may be postponed only if all bidders intending to bid can be advised of the postponed date in writing at least one week before the original closing date.

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4.23.7 Bid documents must be ready before advertisement. Documents can be posted to potential bidders or bidders may collect documents. The latter is preferable unless practicality otherwise necessitates. Bid documents will be available at the Stellenbosch Municipality. The name of the bidder to whom documents were issued, the bid number, the name of the person who collected the bid, the firm/company on whose behalf the document is collected, phone number, fax number, contact person, date and time the document was collected and the date the document was posted where a bidder requests a document by telephone, must be entered in a register. Apart from the fact that the register serves as a record in the event of disputes, it also serve the purpose of providing all the detail of the bidders who collected documents in the event where amendments have to be effected to the bid document.

4.23.8 Bidders are allowed to deposit their completed bids in the bid box located at Stellenbosch Municipality in Plein Street which is clearly marked "Bid Box". Bid boxes will be accessible to the public on a 24-hour basis including weekends and public holidays. The following details must be entered:

- a) The bid number
- b) The closing date of the bid
- c) The date and time the bid was received
- d) The name of the company/individual submitting the bid
- e) How the bid was received, i.e. via courier services, or registry
- f) The state in which the bid was upon receipt, for example was it open or not
- g) Whether the bid was received in time or late
- h) Whether the bid was opened by the receiving officials and the reasons why the bid was opened.
- i) Signature of person that delivered the bid.
- j) Signature of the person who received the bid.

To ensure that this recording is properly handled, this register will be checked by the Supply Chain Manager or his/her delegate, after each opening process.

4.24 Closing of Bids

4.24.1 At the closing time of bid/bids on a particular day, the bid/s will be removed to the Supply Chain Office at 12pm on the particular day where bids will be date stamped on the envelope, sorted according to the particular bid numbers, entered in the **Bids Received Register**.

4.24.2 For security purposes, the following pages of the bids received must be date stamped and checked for any correction fluid marks, write-overs, deletions, signature omissions (especially on the bid forms), alternative offers, documents that must have been submitted with the bid, etc. The pages mentioned above are as follows:

- a) Original and valid Tax Clearance Certificate (MBD 2 form).
- b) Declaration of interest form (MBD4 form)
- c) Declaration of past SCM practises (MBD 8 form)
- d) Pricing schedule (MBD3 form)
- e) Certificate of Independent Bid Determination (MBD 9 form)
- f) Alternative offers, Development Proposals and documents that were required to be submitted with the bid as per the bid document

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4.24.3 Where the official who checks the bid finds correction fluid marks, write-overs or deletions, the official must initial next to it and another official must co-initial it.

4.24.4 Where certain forms, which require signatures, have not been signed, notes to that effect are made on the temporary covers of the bid. Such bids must still be evaluated.

4.24.5 Where certain forms, which should have been submitted with the bid is not attached, such as the MBD 1, MBD 2 and MBD 3, notes to that effect must be made on the temporary covers of the bid. The idea is to bring it to the attention of the evaluation team, the moment they look at the bid.

4.24.6 All bids received without envelopes, must be sealed in an envelope, and the bid number and closing date shall be written on the envelope, if ascertainable. Bids received in envelopes (sealed or unsealed) without the bid number on the envelope, must be opened, the bid number established, the envelope sealed and the bid number and closing date is written on the envelope. All bids will then be kept unopened in safe custody until the closing time of the bids.

4.25 Bids received after closing time

Late bids should be handled as follows:

- a) Bid received late will not be considered
- b) Bids are late if they are received at the address indicated in the bid documents after closure time
- c) Late bids should will not be submitted for consideration and where practicable will be returned unopened to the bidder accompanied by an explanation
- d) Accounting officers/authorities should re-advertise the bid if no bid or no suitable bid was received by closure time.

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4.26 Evaluation Criteria

The evaluation shall be in terms of the size, nature and complexity of the goods or services required by the Municipality. The purpose of bid evaluation is to determine the lowest evaluated responsive bid from amongst the substantially responsive bids. The Stellenbosch Municipality will evaluate and adjudicate bids by means of a point scoring system and which will vary for different classes or contracts as depicted under Chapter 3 of the SCM Policy.

Each responsible Practitioner must determine the responsiveness of each bid that is whether each bid:

- a) has been submitted on the prescribed form and is properly signed;

- b) has been responsive to the requirements of the bid document;
- c) provides any clarification that may be required;
- d) is realistically priced in relation to the goods and services required;
- e) the successful bidder will be the one who has a responsive bid, is awarded the most adjudication points; and
- f) in cases, however where the bid with the highest adjudication points is not recommended, full details must be provided to the Delegated Authority for consideration. The Bid adjudication criteria have to be clearly stated including the manner in which points are calculated.

4.27 Bid Adjudication Committee

- a) The successful bidder whose bid has been determined to be substantially responsive and has been determined to be qualified to perform the contract satisfactorily, must be recommended for award of the contract. A bid evaluation report with the award recommendation must be prepared. The bid evaluation report should reflect the logical sequence of the bid evaluation process in the following manner:

- i. (i) Receipt and opening of bids
- (ii) Examination of bids
- (iii) Compliance to specification
- (iv) Substantially non-responsive
- (v) Correction of arithmetic errors
- (vi) Currency conversion
- (vii) Adjustment for nonmaterial deviations
- (viii) Bids subject to detailed evaluation
- (ix) Evaluation of bids
- (x) Comparison of bids
- (xi) Lowest evaluated responsive bid
- (xii) Post qualification
- (xiii) Award recommendation

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- b) The bid adjudication committee must –
 - (i) consider the report and recommendations of the bid evaluation committee; and
 - (ii) either;
 - depending on its delegations, make a final award or a recommendation to the Accounting Officer to make the final award; or
 - make another recommendation to the Accounting Officer how to proceed with the relevant procurement.

- c) The **bid adjudication committee** must consist of at least **four senior managers** of the municipality which must include –
 - (i) the Chief Financial Officer or, if the Chief Financial Officer is not available, another manager in the budget and treasury office reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer; and
 - (ii) at least one senior supply chain management practitioner who is an official of the municipality; and
 - (iii) a technical expert in the relevant field who is an official in the line department or external consultant, if such an expert exists.
 - (iii) the relevant Director responsible for the function.

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- d) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- e) (i) If the bid adjudication committee decides to award a bid **other than the one recommended** by the bid evaluation committee, the bid adjudication committee must **prior** to awarding the bid;
 - check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears; and
 - notify the Accounting Officer.
 (ii) The Accounting Officer may:
 - after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph 4.27(f)(i); and
 - if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- f) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- g) The Accounting Officer must comply with section 114 of the Act within 10 working days.

4.28 Notification of Award

- a) When the award recommendation has been approved, a notification of award (letter of acceptance) should be sent out immediately to the successful bidder.
- b) Negotiations must not be held with the successful bidder with the intention of getting a reduction in price or a change in the scope of the contract.
- c) Negotiations are only allowed under exceptional circumstances under the supervision of the Municipal Manager.

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4.29 Logistics

- a) Goods is linked to inventory
- b) Transit action (Check for quality and quantity on receipt of goods)
- c) Issuing of an order
- d) Effective and efficient use of resources
- e) Coding of items
- f) Distribution of goods/items

4.30 Procurement of banking services

4.30.1 A contract for banking services –

- a) must be procured through competitive bids;
- b) must be consistent with section 7 or 85 of the Act; and
- c) may not be for a period of more than five years at a time.

4.30.2 The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

4.30.3 The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 4.16. Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

4.31 Procurement of IT related goods or services

4.31.1 The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

4.31.2 Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

4.31.3 The accounting officer must notify SITA together with a motivation of the IT needs if –
a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

4.31.4 If SITA comments on the submission and the Stellenbosch Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant Provincial Treasury and the Auditor General.

4.32 Procurement of goods and services under contracts secured by other organs of state

4.32.1 The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –
a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
b) there is no reason to believe that such contract was not valid to procure;
c) there are demonstrable discounts or benefits to do so; and
d) that other organ of state and the provider have consented to such procurement in writing.

4.32.2 Subparagraphs (4.32.1)(c) and (d) do not apply if –
a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

4.33 Procurement of goods necessitating special safety arrangements

a) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

- b) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

4.34 Proudly SA Campaign

The Stellenbosch Municipality supports the Proudly SA Campaign to the extent that, all things being equal after applying the principles of this policy, preference is given to procuring local goods and services from:

- a) Firstly – suppliers and businesses within the municipality or district;
- b) Secondly – suppliers and businesses within the relevant province;
- c) Thirdly – suppliers and businesses within the Republic.

4.35 Appointment of consultants

4.35.1 The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

4.35.2 Consultancy services will be procured through competitive bids if

- a) the value of the contract is equal to or above R200 001.00 (VAT included); or
- b) the duration period of the contract exceeds one year.

4.35.3 In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –

- a) all consultancy services provided to an organ of state in the last five years; and
- b) any similar consultancy services provided to an organ of state in the last five years.

Please note that this section must be read in conjunction with the requirements of the formal written quotations and/or bids.

4.35.4 The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Stellenbosch Municipality.

4.35.5 Consultancy services equal to or below R200 000.00 must be procured from at least three (3) consultants in line with paragraph 2.3.

4.36 Deviation from, and ratification of minor breaches of, procurement processes

4.36.1 The accounting officer may –

- a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) in an emergency (An Emergency is considered as an unforeseeable and sudden event with materially harmful or potentially harmful consequences for the municipality which requires urgent action to address.);
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos and/or nature and game reserves; or

- (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

~~b) In respect of repairs to motor vehicles, machinery and equipment that need to be stripped to quote, only one written quotation is to be obtained from the manufacturer or an authorised agent; and for the purposes of approval, is delegated to the Head: Supply Chain Management. The authority granted will be applied (as a control measure) by means of recording the reasons for only obtaining 1 quotation and reported to the CFO. The latter would therefore not be treated as a deviation as envisaged under sub-section 4.36.1(a).~~

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~~e)b)~~ ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

4.36.2 The accounting officer must record the reasons for any deviations in terms of subparagraphs 4.36.1(a) and (c) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

4.36.3 Subparagraph (4.36.2) does not apply to the procurement of goods and services contemplated in paragraph 4.13 of this policy.

4.36.4 The senior management (Directors) directly accountable to the Accounting Officer; are the only persons that can duly authorise any expenditure that may occur in an emergency, with a **Certificate of emergency**. Certificates must be submitted within three (3) days after event. Limited to emergencies that may hamper the rendering of basic service delivery and may result that Stellenbosch Municipality be held liable for any damage

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4.38.14.37 **Unsolicited bids**

~~4.38.14.37.1~~ In accordance with section 113 of the Municipal Finance Management, 2003 (Act 56 of 2003), there is no obligation to consider unsolicited bids received outside a normal bidding process.

~~4.38.24.37.2~~ The accounting officer may decide in terms of section 113(2) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) to consider an unsolicited bid, only if –

- a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
- b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
- c) the person who made the bid is the sole provider of the product or service; and
- d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

- | ~~4.38.34~~4.37.3 If the accounting officer decides to consider an unsolicited bid that complies with paragraph 4.37 of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, 2000 (Act 32 of 2000), together with –
 - a) reasons as to why the bid should not be open to other competitors;
 - b) an explanation of the potential benefits if the unsolicited bid were accepted; and
 - c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

- | ~~4.38.44~~4.37.4 The accounting officer must submit all written comments received pursuant to subparagraph 4.37.3, including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

- | ~~4.38.54~~4.37.5 The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

- | ~~4.38.64~~4.37.6 A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

- | ~~4.38.74~~4.37.7 When considering the matter, the adjudication committee must take into account –
 - a) any comments submitted by the public; and
 - b) any written comments and recommendations of the National Treasury or the relevant Provincial Treasury.

- | ~~4.38.84~~4.37.8 If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

- | ~~4.38.94~~4.37.9 Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Stellenbosch Municipality to the bid may be entered into or signed within 30 days of the submission.

- | ~~4.39.4~~4.38 **Prevention and combating of the abuse of supply chain management system**

- | ~~4.39.14~~4.38.1 The accounting officer must–
 - a) take all reasonable steps to prevent abuse of the supply chain management system;
 - b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service;
 - c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - d) reject any bid from a bidder–
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Stellenbosch Municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or

- (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
- e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
- f) cancel a contract awarded to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- g) reject the bid of any bidder if that bidder or any of its directors –
 - (i) has abused the supply chain management system of the Stellenbosch Municipality or has committed any improper conduct in relation to such system;
 - (ii) has been convicted for fraud or corruption during the past five years;
 - (iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) has been listed in the Register for bid Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004).
- h) The accounting officer must inform the National Treasury and relevant Provincial Treasury in writing of any actions taken in terms of subparagraphs 4.38.1(b)(ii), (d) or (f) of this policy.

4.404.39 Prohibition on awards to persons whose tax matters are not in order

- a) The Accounting Officer must ensure that, irrespective of the procurement process followed, no award above R 30 000 (VAT included) is given to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- b) Before making an award to a provider or bidder, a tax clearance certificate from SARS must first be provided as contemplated in paragraph 4.2.1

4.414.40 Prohibition on awards to persons in the service of the state

The Accounting Officer must ensure that irrespective of the procurement process followed, no award may be made to a person –

- (a) who is in the service of the state; or
- (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) who is an advisor or consultant contracted with the municipality in respect of a contract that would cause a conflict of interest.

4.424.41 Awards to close family members of persons in the service of the state

The notes to the annual financial statements must disclose particulars of any award of more than R2 000 (VAT included) to a person who is a spouse, child or parent of a

person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.

4.42 Right of Appeal and the handling of objections, disputes,complaints and queries
The legislative framework that governs the following different administrative processes is as follows:

<u>Administrative Process</u>	<u>Legislative Framework</u>
<u>Appeals</u>	<u>Section 62 of the Municipal Systems Act</u>
<u>Handling of objections , disputes, complaints and queries</u>	<u>Section 49 of the Municipal Supply Chain Management Regulations</u>

Documentation submitted to the Municipal Manager in relation to any of the abovementioned administrative processes must contain the following minimum details:
4.42.1 reasons and/ or grounds
4.42.2 the way in which the person's rights have been affected; and
4.42.3 the remedy sought.

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CHAPTER 5: DISPOSAL AND LETTING

5.1 Objective

The main objective of this Chapter is to provide a regulatory framework for the disposal and letting of immovable assets and to provide a framework when the Municipality enters into lease agreements. To give effect to Regulation 40 of the Supply Chain Management Regulations which requires an effective system for the disposal of letting of assets including unserviceable, redundant or obsolete assets and the Municipal Asset Transfer Regulations, subject to sections 14 and 90 of the Municipal Finance Management Act (MFMA) and any other applicable legislation.

5.2 Definitions

5.1

For the purposes of this Chapter, unless the context indicates to the contrary,

5.2.1 "Asset Transfer Regulations" means the Municipal Asset Transfer Regulations promulgated in terms of the MFMA;

5.2.2 "BEE Act" means the Broad-Based Black Economic Empowerment Act 53 of 2003;

5.2.3 "BEE" means the economic empowerment envisaged by the BEE Act of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to-

(a) increasing the number of black people that manage, own and control enterprises and productive assets;

(b) facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises;

(c) human resource and skills development;

(d) achieving equitable representation in all occupational categories and levels in the workforce;

(e) preferential procurement; and

(f) investment in enterprises that are owned or managed by black people;

5.2.4 "blackpeople" means Africans, Coloureds and Indians;

5.2.5 "MFMA" means the Local Government: Municipal Finance Management Act, 56 of 2003;

5.2.6 "The Systems Act" means the Local Government: Municipal Systems Act, 32 of 2000.

5.2.7 "Local" means within the context of the boundaries of WC024.

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5.3 General principles

5.2

5.3.1 Immovable property may only be sold at market-related prices and let at market related rates except when the public interest or plight of the poor demands otherwise.

5.2.1 For purpose of this Chapter:

- "public interest" means disposal or letting to:-

(a) promote the achievement of equality by taking measures to protect or advance persons or categories of persons, disadvantaged by unfair discrimination;

(b) afford black people who are South African citizens a preference in respect of the disposal and letting of immovable property as envisaged in section 9(2) of the Constitution;

(c) promote BEE through disposal and letting;

(d) ensure and promote first time home ownership and enterprise development of black people including but not limited to ensuring that people that qualify in terms of the Municipality's GAP housing policy have access to adequate housing on a progressive basis;

(e) advance agricultural projects for land reform purposes;

(f) promote welfare and charitable purposes including non-profit rehabilitation facilities; shelters for the indigent and destitute; youth development and drug counseling;

(g) foster equitable access to public amenities, social and/or sports clubs and similar organizations by providing discounted prices or rates in the event that the beneficiaries or the membership component of such institution or body consist of at least 50% black people and/or the membership or subscription fee of black people is less than 50% of the normal membership or subscription fee.

- "Plight of the poor" means the needs of the people that are vulnerable and unable to meet their socio-economic needs independently or to support themselves and their dependants and are in need of social assistance.

5.3.2 Black people who are South African citizens will be afforded a preference in respect of the disposal and letting of immovable assets as envisaged in Section 9(2) of the Constitution regardless of whether it is sold or let at market related prices or rates or not.

5.2.2

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by Stellenbosch Municipality, shall be executed strictly in accordance with Chapter 4 of the Municipal Asset Transfer Regulations.

5.4.6 Movable assets may be sold by way of written price quotations of an advertised competitive bidding process, followed, or written price quotations, or by means of auctions, or at market related prices, whichever is the most advantageous to the Municipality (applicable to movable assets). The award must be made to the highest bidder as per clause 20.2.1 of the Implementation Guideline, as promulgated by National Treasury wrt the Preferential Procurement Regulations 2011 pertaining to the Preferential Procurement Policy Framework Act.

5.5 Disposal of immovable assets

5.5.1 Process

5.5.1.1 An item consisting of the motivation for the disposal of immovable assets must be prepared by the Administration, enabling CouncilMayco to make an informed decision in principle, in terms of Section 14 of the MFMA.

5.5.1.2 The motivation tabled must include the valuation of the asset concerned, depicting its fair market value. Fair market value will be calculated as the average of the valuations sourced from two service providers and for purposes of This Chapter, market related prices shall have the same meaning.

5.5.1.3 1.2 After a decision in principle is taken by CouncilMayco, Supply Chain Management will embark on the applicable process after the Accounting Officer has determined the applicable scoring methodology and/or preference points and/or weights and/or specific goals.

5.5.1.3 Supply Chain Management will source the valuation of the asset concerned depicting its fair market value. Fair market value will be calculated as the average of the valuations sourced from two service providers and for purposes of this Chapter market related prices shall have the same meaning.

5.5.1.4 If the Depending on the fair market value is above a prescribed value, either a request for authorisationauthorization to commence with of a public participation process shall be submitted to the Accounting Officer, to Council or a final submission prepared by the administration in terms of Section 14 of the MFMA to Council must then follow.

1.1 5.6 Letting

The letting of assets must be adhered to and achieve the general principles contained in 5.35-3.

5.6.1 Process

5.6.1.1 An item must be prepared by the administration to CouncilMayco to obtain a decision in principle to let the immovable asset.

5.6.1.2 After a decision in principle is taken by CouncilMayco, the Accounting Officer must determine the applicable scoring methodology and/or preference points and/or weights and/or specific goals.

5.6.1.32 Supply Chain Management must then embark on the applicable process within the framework of the general principles contained in 5.35.3 which process must be fair, equitable, transparent and competitive. The normal rental stock of the

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Municipality for housing purposes is explicitly excluded from this provision but the general principles contained in 5.35-3 must still be complied with.

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5.6.1.43 — The necessary contractual requirements must be drafted and finalised by the administration.

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5.7 General

5.7.1 All items or reports to Council in terms of this Chapter must contain all the applicable and prescribed provisions in terms of the Asset Transfer Regulations including but not limited to factors that Council must consider as well as those pertaining to conditions that may be imposed.

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5.7.2 All agreements concluded pursuant to disposal or letting must contain the minimum requirements stipulated in the Asset Transfer Regulations that are applicable to agreements as well as in the MFMA.

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5.8 Application

This Chapter must be applied to all assets owned by the Municipality and must be complied with in every instance where the disposal or letting of assets is dealt with.

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5.9 Payment for Immovable Assets Disposed of or Letting

Suspensive conditions in the form of a recommendation to the BAC by the Directorate of Corporate Services dealing with deposits and payments for immovable assets must incorporate final purchase price on date of registration as non negotiable. In the event of letting all payments must be paid in advance before the first of each month.

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CHAPTER 6: RISK MANAGEMENT

Introduction

- 6.1.1 This section covers the control measures that the Municipality will apply to prevent fraud and corruption involving officials and Stellenbosch Municipality. A declaration schedule will form an integral part of all the Municipality's bid documents. Bidders will be required to complete the schedule as a prerequisite to the bid. Employees of any Organ of State will be required to complete the Schedule as a pre-requisite to the bid.
- 6.1.2 Stellenbosch Municipal officials, Councillors involved in the assessment and adjudication of bidders will be required to complete the Declaration of interest schedule. Consultants or any other service provider who are involved in the preparation of bid documentation and bid reporting will also be required to sign a Declaration of Interest Schedule. The Declaration of Interest seeks disclosure on any interest that a councillor, official, consultant and/or service provider may have with regards to bid being adjudicated. The schedule states in principle that there has been no undue influence by a councillors or officials to influence the awarding of the bid under consideration. The schedule must be completed prior to the award of a bid.
- 6.1 **General risk management measures that will be applied by the Stellenbosch Municipality will include the following:**
- a) Business Plans where applicable will be required for approval prior to the commencement of all projects.
 - b) Feasibility and/or design reports will be required by the Stellenbosch Municipality before bid for projects are called.
 - c) As far as possible tender documents will be specific and detailed.
 - d) The applicable project standards will be made available for public perusal.
 - e) Consultants and/or Stellenbosch Municipality officials will ensure time, cost and quality control while projects are being implemented.
 - f) Bidders, where applicable, will be required to take public liability insurance to cover the Stellenbosch Municipality.
 - g) Variation orders to projects will require the approval of the Stellenbosch Municipality Municipal Manager or a Stellenbosch Municipality official prior to execution on site.

6.2 Contract Risk

- 6.2.1 **Sureties** are normally required for construction projects. Surety requirements are classified under the following categories:

AMOUNT	PERCENTAGE
Up to R300 000	Nil
R300 001-R1 000 000	2.5%
R1 000 001-R3 000 000	5%
R3 000 001-R5 000 000	7.5%
R5 000 001- and above	10%

- 6.2.2 In the event that a contractor is unable to raise the required surety, the Chief Financial Officer may allow such surety to be deducted in full or part from monies that are to become due to the contractor. This may take the form of deductions from the first three [3] payment certificates due to the contractor.

6.2.3 At the discretion of the Municipality, it may waive the requirement for a surety on construction contracts that are estimated to be equal to or lower than one million rand [R1 000 000]. The Municipality would only consider waiver of sureties to assist and facilitate the entry of emerging entrepreneurs in the small works sector of the construction industry. The *waiver* will be allowed in exceptional cases where a surety, guarantee or bridging finance cannot be accessed through any financial institution and written proof thereof must be submitted to Stellenbosch Municipality. In the event surety is waived Stellenbosch Municipality will underwrite the risk of such contracts in order to provide opportunities that will target HDIs. Service providers/Contractors will not be allowed to engage in more than two contracts at a time where sureties have been waived. Surety will be released on application to Stellenbosch Municipality subsequent to Stellenbosch Municipality approving the completion certificate for the contract.

6.3 Retention and Penalties

6.3.1 The Stellenbosch Municipality requires a percentage of the project costs for all construction projects to be set aside as retention. A 10% retention fee up to a maximum of 5% of the contract sum will be applied on all contracts. Half of the retention amount will be released on issue of the completion certificate for the contract. The balance of the retention will be released on the completion of the defects liability period of the contract. All contracts must include a penalty clause.

6.4 Cession of Payment

6.4.1 To provide an opportunity to service providers who cannot raise the necessary capital to procure services and goods, the Municipality may at its discretion, enter into a cession of payment agreement with a service provider once approval has been received from the participating service provider and the Municipal Manager.

CHAPTER7: PERFORMANCE MANAGEMENT

7.1 Supplier Performance

- 7.1.1 Stellenbosch Municipality will monitor the Performance of a Service Provider. Performance will be used as one of the criterion to assist Stellenbosch Municipality with the distribution when procuring services. A service provider's name will be place on list labelled "Poor Performing Service Providers" when service providers fail to complete projects on time, within Budget and to the required standard of the Stellenbosch Municipality or its duly appointed representative. Consideration will be given to Poor Performing Service Providers due to poor support especially in relations to HDIs. Depending on the reasons for Poor Performance, service providers would be placed on the list for at least one year.
- 7.1.2 The process of monitoring contracts runs transversally through both the Demand and Acquisition Management stages within the Supply Chain Management system. As such, it is dealt with under a chapter 3 separate from either of the two. The following existing practices are therefore handled below:
- a) Constant monitoring is essential to ensure that contractors meet their contractual obligations and that contracts run with as little disruption as possible. There are several ways in which monitoring can be undertaken:
 - b) Regular site inspections. In respect of a service, where the service is being rendered at a Municipal site or at the contractor's own site, the Municipality must visit the site regularly to ascertain whether the service is still being rendered in accordance with the contract. Regular meetings with contractors to discuss contract issues i.e. progress, foreseeable contract problems, price variations etc.

7.2 Reporting

- 7.2.1 Regular reports from contractors as well as the Supply Chain Management Unit are crucial for efficient contract management.
- 7.2.2 Contractors must be informed via the Service Level Agreement that reporting must take place on predetermined issues. The timeframes for this reporting must also be known to the contractors prior to the start of the contract. As far as products are concerned a contractors can be requested to report on the following issues:
- a) Number of orders received
 - b) Date of orders;
 - c) Quantities ordered on individual items;
 - d) Delivery date of orders
- 7.2.3 The information must be scrutinised and matched with the Municipal's records to ascertain whether there are any abnormalities in the rendering of the service or delivery of the product.
- 7.2.4 When the Municipality starts with the renewal/new contract, these reports can play a crucial role in the Demand Management phase as it can provide crucial historical/current contract/item information.
- 7.2.5 This in turn has a direct influence on the Acquisition Management phase as it influences the form of bidding used.

7.3 Enforcement & cancellation of contracts

7.3.1 Breach of contract is when one of the parties to the agreement breaches a term thereof, does not comply thereto or indicates that he/she will not comply with the terms of the agreement.

7.3.2 Breach can be committed in several ways, i.e.:

- a) A debtor may fail to perform on or before the date fixed for performance and the debtor would then be said to be in failure to comply in time in respect of the obligation in question.
- b) Where no definite time for performance is agreed upon, the Municipal (as creditor) must demand performance within a specified time (must be reasonable in the circumstances) and if the contractor or service provider (as debtor) has failed to perform in that time, he/she is regarded as being in mora (breach of time aspect).
- c) The debtor may render performance on time, but deviate from the performance required by the agreement. (i.e. use materials of inferior quality).
- d) The debtor may repudiate his/she obligation(s) in the sense that he/she may, before or after the due date for performance, make it plain by his/her words or actions that he/she does not intend to perform, or perform properly, in terms of his/her obligation(s). The test in each case is whether the debtor has acted in such a way as to lead a reasonable person to the conclusion that he/she does not intend to fulfil the obligation(s) or is not in a position to fulfil his/her obligation(s). If a debtor repudiates his/her obligations after having breached it in some way or the other, the Municipal must claim relief on the basis of either form of breach.

7.4 Remedies for Breach

The Municipality will ensure that all contracts provide for appropriate legal remedies in case of breach.

CHAPTER 8: CODE OF CONDUCT

8.1 Introduction

- 8.1.1 This Code of Conduct is designed to convey the obligations and standards of behaviour expected of staff of the Stellenbosch Municipality and to help staff resolve any ethical issues that may arise during the course of their duties.
- 8.1.2 It is in the interests of all staff members and the Supply Chain Management Unit in particular to maintain the highest possible ethical standards including accuracy, honesty, cooperation, tolerance and acceptance of obligations as well as rights.
- 8.1.3 The Supply Chain Management Unit is committed to the principles of equal opportunity and encourages staff to think and behave ethically, pursue equity in all aspects of their activities, promote a high standard of professional ethics in the Unit in conjunction with other role players. This code of conduct is part of the Municipality's procurement policy document to enable all bidders to be informed about it. The code should therefore serve as an aid in developing and presenting short training courses for all Supply Chain unit employees. This can assist in maintaining public confidence, integrity and impartiality of the Stellenbosch Municipality. Thus, the following code will guide all persons in the service of Stellenbosch Municipality. It should be emphasized that the development of this code is a dynamic process and that it may require revision from time to time.
- 8.1.4 The values we hold among ourselves to be essential to responsible professional behaviour include: honesty, trustworthiness, respect and fairness in dealing with other people, a sense of responsibility toward others and loyalty toward the ethical principles espoused by the Unit. It is important that these values and the tradition of ethical behaviour be consistently demonstrated and carefully maintained.

8.2 Financial Interest/Conflict of Interest

- 8.2.1 A potential conflict of interest may arise when a staff member has a financial interest in a company and is in a position to influence contracts for business between that company and the Stellenbosch Municipality. In many cases, only the individual staff member will be aware of the potential for conflict of interest. Therefore the onus is on that person to notify the Supply Chain Manager, if a potential or actual conflict of interest arises.
- 8.2.2 Any Municipal staff member who is directly affected by the potential or actual conflict of interest may refer the matter to the Supply Chain Management Practitioner or Supply Chain Manager.
- 8.2.3 Failure to disclose by employees of the Municipality, the potential or actual conflict of interest can render decisions null and void, and can lead to disciplinary procedures under the relevant Local Government Basic Conditions of Service and Treasury Regulation.

8.3 Acceptance of gifts or benefits

- | 8.3.1 The Stellenbosch Municipality acknowledges that relationships can develop between service providers (suppliers) and staff and does not seek to unduly interfere with such relationships.
- 8.3.2 However, staff should not solicit or encourage gifts or benefits in relation to their professional duties. Receipts of gifts may be perceived as an inducement by others, thus creating a potential conflict of interest. The National Treasury Guidelines on Conflict of Interest and Close Personal Relationships cover financial as well as other types of assets. It requires staff to avoid actual as well as potential conflicts of interest.
- | 8.3.3 Issues of cultural sensitivity are important in our Municipality, as many of our Suppliers are from different backgrounds where certain practices may be acceptable. However, staff are required to comply with Constitutional standards, the National Treasury's Code of Conduct and Municipality's Guidelines. All gifts must be declared in writing. A gift register will be available at the office of the Supply Chain Manager. All gifts and benefits received by staff and councillors; must be declared, irrespective the value thereof.

8.4 Combative Practices

- 8.4.1 Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:
 - a) Suggestions to fictitious quotations;
 - b) Reference to non-existent competition;
 - c) Exploiting errors in price quotations/bids;
 - d) Soliciting price quotations/bids from bidders/contractors whose names appear on the Register for Bidder Defaulters.

8.5 Protecting confidential information

- | 8.5.1 All employees of the Stellenbosch Municipality must adhere to the principles of confidentiality outlined in the National Treasury Regulation and have a duty to maintain the confidentiality and security of any personal information for which they are responsible, including computerised data. No information regarding any bid/contract/bidder/contractor may be revealed to anyone on the relevant bidder's, unless the Bid Adjudication Committee has approved it.
- 8.5.2 Within the Supply Chain Management Unit, no staff member other than the officials in the unit shall have access to matters of confidential nature in the possession of Supply Chain Manager about any bidder, without that bidder's consent unless a responsible Practitioner/Manager of the Unit is satisfied that the staff member is acting in the course of his or her duties and that the information is relevant to the purpose for which it is sought.
- 8.5.3 Personal information about staff of the Supply Chain Management Unit will generally not be released to a third party unless the subject is informed of the reason for its collection and provides full written approval other than in special circumstances where the disclosure may prevent a serious and imminent threat to the life or health of the individual concerned or of another person. However, the Supply Chain Management Unit is legally obliged to respond to any request for information in the form of a police warrant, subpoena, summons or other court order.

8.6 Reporting corrupt conduct, maladministration and serious and substantial waste of Stellenbosch Municipal resources

Employees in the Stellenbosch Municipality are urged to report suspicions of corrupt conduct, maladministration and serious and substantial waste of Municipal resources. When an employee of the Municipality or the public, suspects corrupts conduct, they may report the allegation in confidence to the Office of the Municipal Manager. Any such allegations will be treated in strict confidence and investigated as considered appropriate.

8.7 The Supply Chain Management Unit's Approach to Complaints

8.7.1 The Stellenbosch Municipality treats all complaints seriously and makes every effort to investigate complaints expeditiously.

8.7.2 The Municipality will apply the principles of natural justice in investigating complaints. The Municipality acknowledges that there are multiple pathways to deal with complaints. It is useful, prior to making a complaint, to consult with appropriate persons to identify the best way to proceed. These could include the Unions and other relevant structures. Employees are encouraged to consider all potential complaints carefully and should not make frivolous, malicious or vexatious complaints.

8.8 Harassment in the Stellenbosch Municipality (Sexually, racist or religious)

It is the policy of the Stellenbosch Municipality that harassment of applicants and employees on the basis of race, religion, colour, national origin, ancestry, handicap, medical condition, disability, marital status, age, sexual orientation and sex, including sexual harassment (all as defined and protected by applicable law), is unacceptable and will not be tolerated. This policy applies to all employees. It covers harassment by employees of the Municipality (including Supervisors and Managers), customers, vendors or other third parties with whom the Stellenbosch Municipality has business dealings.

8.9 Bid Evaluation Team

All members of the evaluation committee and Supply Chain Management staff involved in any way with the bid evaluation committee must be fully aware that the bid evaluation process up to the award of the contract is confidential, and this confidentiality must be respected and fully adhered to. Any effort by the bidder or its agent to influence the employer's evaluation bids or award decision, including the offering or giving of bribes, gifts, or other inducement should be reported to the evaluation committee. Such actions could result in the invalidation of its bid and the forfeiture of its bid security. Contacts between the Supply Chain Management staff, including the evaluation committee, bidders or their agents should be restricted to essential official communication only, such as the request for and receipt of clarification. All such information must be in writing. All Supply Chain Management staff must not entertain calls or informal communication, meetings, or other contacts with any of the bidder or its agent. (Refer to paragraphs 4.22 and 2.1.4)

CHAPTER 9: CONCLUSION

As a general rule, all Suppliers, Service Providers and Contractors who want to do business with Stellenbosch Municipality should ensure that they are registered in the Stellenbosch Municipality's Supplier Register / Database. The onus is on the Service Provider to obtain the required documentation from Supply Chain Management Unit, Finance Department. For Consultants, Contractors and Service Providers to be considered for appointment that has offices based outside Stellenbosch Municipality or outside the area of jurisdiction, proof of registration as a levy payer with the Local, District or Metropolitan Council in whose area the office is based is required.

Registration should be subject to the observance of the Procurement Code of Conduct. Enterprises and Individuals, who meet the requirements for direct preferences, need to apply for accreditation in order to qualify for additional points.

ANNEXURES

The below mentioned Annexures are applicable to all Stellenbosch Municipality's sourcing documentation. Information required may vary in detail depending on the nature of the procurement. Cognisance should be taken of additional standard annexures relevant to particular types of bids and contracts that have not been included in this policy. Please ensure that all relevant annexures are attached to the sourcing documentation and are thoroughly completed.

ANNEXURES & TITLE	FORM NO.
1.1 Covering letter – Invitation to bid	MBD 1
1.2 Tax Clearance Requirements- Updated MBD 2 form must be submitted.	MBD 2
1.3 Pricing schedule – Firm prices (Purchases)	MBD 3.1
1.4 Pricing schedule – Non –firm prices (Purchases)	MBD 3.2
1.5 Pricing schedule (Professional Services)	MBD 3.3
1.6 Declaration of Interests	MBD 4
1.7 Declaration for Procurement above R10 million (VAT INCLUDED)	MBD 5
1.8 Purchases	MBD 6.1
1.9 Sales (Disposal)	MBD 6.2
1.10 Promotion of small Businesses	MBD
1.11 Local content of Products	7.16.3
1.12 Empowerment of the work force by standardising the level of skills and knowledge of workers	MBD
1.13 Development of Human Resources, including assisting in Tertiary and other advanced training programmes in line with key indicators such as percentage of wage bill spent on education and training and improvement of management skills	7.26.4
1.14 Upliftment of communities through, but not limited to Housing, Transport, Schools, Infrastructure, Donations and Charity Organisations	MBD
1.15 Export orientated production to create jobs	7.36.5
1.16 Promotion of Enterprises located in the Western Cape Province	MBD 8
1.17 Promotion of Enterprises located in the Boland Area	MBD 96.6
1.18 Promotion of Enterprises located in Stellenbosch Municipal Area	MBD 6.7
1.19 Promotion of Enterprises located in Rural Areas	MBD 6.8
1.20 1.9 Contract Form – Purchase of goods/works	MBD 6.9
1.21 1.10 Contract Form - Rendering of services	MBD 6.10
1.22 1.11 Contract Form – Sale of goods/works	MBD 6.11
1.23 1.12 Declaration of Bidders past Supply Chain Management Practises	MBD 6.12
1.24 1.13 Certificate of Independent Bid Determination	MBD 7.1
ADDENDUMS	MBD 7.2
1. Tender check list	MBD 7.3
2. Request for written or verbal quotations (Over R2 000.00 up to a transaction value of R 10 000.00 (VAT included))	MBD 8
3. Request for written or verbal quotations (Over R10 000.00 up to a transaction value of R30 000.00 (VAT included))	MBD 9
4. Request for written or verbal quotations (Over R30 000.00 up to a transaction value of R200 000.00 (VAT included))	SM 1
	SM 2
	SM 3
	SM 4

MBD 2

TAX CLEARANCE REQUIREMENTS

IT IS A CONDITION OF BIDDING THAT -

1. The taxes of the successful bidder must be in order, or that satisfactory arrangements have been made with the Receiver of Revenue to meet his / her tax obligations.
2. In order to meet this requirement bidders are required to complete in full the attached form TCC 001 "Application for a Tax Clearance Certificate" and submit it to any SARS branch office nationally. The Tax Clearance Certificate Requirements are also applicable to foreign bidders / individuals who wish to submit bids
3. SARS will then furnish the bidder with a Tax Clearance Certificate that will be valid for a period of 1 (one) year from the date of approval.
4. The original Tax Clearance Certificate must be submitted together with the bid. Failure to submit the original and valid Tax Clearance Certificate will result in the invalidation of the bid. Certified copies of the Tax Clearance Certificate will not be acceptable.
5. In bids where Consortia / Joint Ventures / Sub-contractors are involved, each party must submit a separate Tax Clearance Certificate.
6. Copies of the TCC 001 "Application for a Tax Clearance Certificate" form are available from any SARS branch office nationally or on the website www.sars.gov.za. Applications for the Tax Clearance Certificates may also be made via eFiling. In order to use this provision, taxpayers will need to register with SARS as eFilers through the website www.sars.gov.za.
7. If bidder is registered on Stellenbosch Municipality supplier's database; that contains a tax clearance certificate which is valid on closing date of tender, it must be indicated as such to this page, whereby the attaching of a new tax clearance certificate to this page wont be needed.

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SM 1

BID CHECK LIST

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All SM Individuals bid documents will have the typical bid check list as an attachment. This list is to assist all bidders to submit complete tenders.

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Bidders are to check the following points before the submission of their bid:

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1. All pages of the tender document have been read by the bidder.

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2. All pages requiring information have been completed in black ink.

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3. The Schedule of Quantities have been checked for arithmetic correctness.

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4. Totals from each sub section of the Schedule of Quantities have been carried forward to the summary page.

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5. The total from the summary page has been carried forward to the Bid Form.

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6. Surety details have been included in the bid.

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7. All sections requiring information have been completed.

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8. The bidder has complied with the bid prerequisites.

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9. The bid document is submitted before 12h00 on the due date at the designated bid box of the SM.

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Messrs _____

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The Manager _____

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Dear Sir / Madam _____

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REQUEST FOR WRITTEN ~~OR VERBAL~~ QUOTATIONS

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(Over R2 000.00 up to a transaction value of R10 000.00 (VAT included))

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Kindly furnish me with a written quotation for the supply and delivery of the goods/services as detailed in the enclosed schedule.

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The quotation must be submitted on the letterhead of your business and can either be faxed or delivered by hand, by not later than 14:00 to: Supply Chain Management Unit, Plein Street, Stellenbosch: Fax: (021) 8088688 ; Tel No: (021) 8088520

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The following conditions will apply:

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- Price(s) quoted must be valid for at least thirty (30) days from date of your offer.
- Price(s) quoted must be firm and must be inclusive of VAT.
- A firm delivery period must be indicated.
- This quotation will be evaluated and awarded based on compliance to specifications and conditions to contract, ability and capability to deliver the goods and services and lowest price.

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NB: No quotations will be considered from persons in the service of the state¹

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Failure to comply with these conditions may invalidate your offer.

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Yours faithfully _____

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SIGNATURE.....

DATE:

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SCHEDULE

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DELIVERY ADDRESS:

¹*MSCM Regulations: “in the service of the state” means to be –

- (a) a member of –
- (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.



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Messrs _____

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Dear Sir / Madam

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REQUEST FOR ~~FORMAL~~ WRITTEN PRICE QUOTATION AS PER ATTACHED SPECIFICATION

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(Over R10 000.00 up to a transaction value of R30 000.00 (VAT included))

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Kindly furnish me with a written quotation for the supply of the goods/services as detailed in the enclosed specification.

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The quotation must be submitted on the letterhead of your business and can either be faxed or delivered by hand, by not later than 14:00 to: Supply Chain Management Unit, Plein Street, Stellenbosch: Fax: (021) 808 8688 ; Tel No: (021) 808 8520

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The following conditions will apply:

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- Price(s) quoted must be valid for at least thirty (30) days from date of your offer.
- Price(s) quoted must be firm and must be inclusive of VAT.
- A firm delivery period must be indicated.
- This quotation will be evaluated and awarded based on compliance to specifications and conditions to contract, ability and capability to deliver the goods and services and lowest price.

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NB: No quotations will be considered from persons in the service of the state¹

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Failure to comply with these conditions may invalidate your offer.

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Yours faithfully _____

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SIGNATURE.....

DATE:

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- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.



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Messrs _____

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Dear Sir / Madam

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REQUEST FOR FORMAL WRITTEN PRICE QUOTATION AS PER ATTACHED SPECIFICATION

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(Over R30 000.00 up to a transaction value of R200 000.00 VAT included)

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Kindly furnish me with a written quotation for the supply of the goods/services as detailed in the enclosed specification.

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The quotation can be delivered by hand, by not later than 12:00 to: Supply Chain Management Unit, Plein Street, Stellenbosch: Fax: (021) 808 8688 ; Tel No: (021) 808 8520

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The following conditions will apply:

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- Price(s) quoted must be valid for at least thirty (30) days from date of your offer.
- Price(s) quoted must be firm and must be inclusive of VAT.
- A firm delivery period must be indicated.
- This quotation will be evaluated in terms of the 80/20 preference point system as prescribed in the Preferential Procurement Policy Framework Act (No 5 of 2000) and for this purpose the enclosed forms MBD 2, ~~MBD 6.1~~ and MBD 6.1 and must be scrutinized, completed and submitted together with your quotation.
- Additional enclosed forms (MBD 4, MBD 8 and MBD 9) to be completed and submitted together with your quotation in terms of promulgated National Treasury Circulars.
- The successful provider will be the one scoring the highest points.

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NB: No quotations will be considered from persons in the service of the state¹

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Failure to comply with these conditions may invalidate your offer.

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Yours faithfully

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SIGNATURE.....

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 - (ii) any provincial legislature; or
 - (iii) the national Assembly or the national Council of provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.

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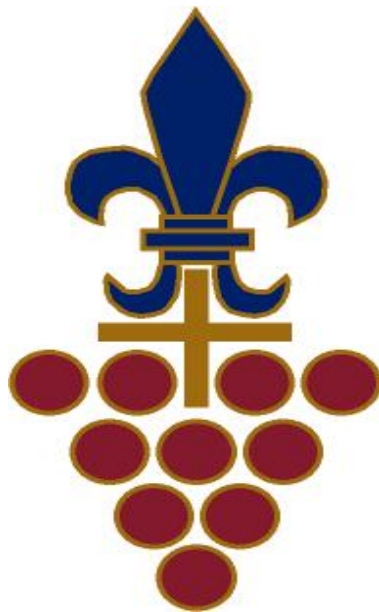
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APPENDIX 9

STELLENBOSCH MUNICIPALITY



**BUDGET IMPLEMENTATION AND MONITORING
POLICY**

REVISED
2012/2013

APPENDIX 9

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1. PREAMBLE

In the spirit of the Municipal Finance Management Act, (No.56 of 2003) “ to modernize budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents customers, users and investors” and,

Whereas chapter 4 of the Municipal Finance Management Act, (No 56 of 2003) determines that a municipality may, except where otherwise provided in the Act, incur expenditure only in terms of an approved budget; and within the limits of the amounts appropriated for the different votes in an approved budget,

In terms of the Budget and Reporting Regulations the municipality has to adopt a policy which include the following:

1. a policy dealing with the shifting of funds within votes
2. a policy dealing with the introduction of adjustment budgets
3. policies dealing with unforeseen and unavoidable expenditure
4. policies dealing with management and oversight

Therefore the Stellenbosch Municipality revised its Budget Policy to give effect to the Budget and Reporting Regulations ~~adopts the budget policyas~~ set out in this policydocument.

2. DEFINITIONS

"Accounting officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"Allocation", means-

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget-

- (a) approved by a municipal council, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including-

- (a) the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or
- (c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Budget transfer" means transfer of funding within a function / vote.

"Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"councillor" means a member of a municipal council;

"current year" means the financial year, which has already commenced, but not yet ended;

"delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"financial recovery plan" means a plan prepared in terms of section 141 of the MFMA

"financial year" means a twelve months period commencing on 1 July and ending on 30 June each year

"financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"irregular expenditure", means-

(a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;

(b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;

(c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or

(d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment", in relation to funds of a municipality, means-

(a) the placing on deposit of funds of a municipality with a financial institution; or

(b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"long-term debt" means debt repayable over a period exceeding one year;

"municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"municipality"-

(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or

(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means-

(a) an employee of a municipality or municipal entity;

(b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or

(c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"overspending"-

(a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

(b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or

(c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"quarter" means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

"service delivery and budget implementation plan" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

- (a) projections for each month of-
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

"unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes-

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with the MFMA;

"virement" refer to the definition of budget transfer

"vote" means-

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

3. OBJECTIVES OF POLICY

The policy sets out the budgeting principles which Stellenbosch Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustments budgets.

The policy shall apply to all the relevant parties within the Stellenbosch Municipality that are involved throughout the budget process.

4. BUDGET PRINCIPLES

The municipality should ensure that revenue projections in the budget are realistic taking into account actual collection levels. The expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.

Stellenbosch Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) which will be reviewed annually and will be approved by Council. The MTREF budget will at all times be within the framework of the Municipal Integrated Development Plan (IDP).

The annual budget will consist of a Capital and Operating Budget which will be discussed below:

4.1. Capital Budgets

The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year.

4.1.1. Basis of Calculation

- a) The **zero based method** is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.
- b) The annual capital budget shall be based on realistically anticipated revenue (capital loans to be taken up will be deemed to be part of this), which should be equal to the anticipated capital expenditure in order to result in a balanced budget.
- c) The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analyzed when the annual capital budget is being compiled.

- d) In addition, the council shall consider the likely impact of such operational expenses- net of any revenues expected to be generated by such item- on future property rates and service tariffs.

4.1.2. Financing

Own Financing Sources

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following:

- a) unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes
- b) further amounts appropriated as contributions in each annual or adjustments budget; and
- c) net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.

Other Finance Sources

The Ad- Hoc capital budget shall be financed from external sources such as the following:

- a) Grants and subsidies as allocated in the annual Division of Revenue of Act.
- b) Grants and subsidies as allocated by Provincial government.
- c) External Loans
- d) Private Contributions
- e) Contributions from the Capital Development Fund (developer's contributions) and,
- f) Any other financing source secured by the local authority.

4.1.3. Process and responsible parties

The process to be followed in the compilation of the capital budget is as follows:

- a) The CFO, in conjunction with the ~~Deputy Director~~Manager: Budget Office, and after consultation with the Portfolio Councillor of Finance sets the realistic growth level of the capital budget to be financed out of own sources (CRR).
- b) The draft capital budget is compiled based on the projects that emanated out of the engagements with the different stakeholders.
- c) The CFO, together with the ~~Deputy Director~~Manager: Budget Office, engage with the Directors and the IDP Manager in order to determine the priorities for a

particular financial year and to determine the ranking of projects based on these priorities.

- d) The draft capital budget is submitted to the Mayoral Committee for their perusal and suggestions.
- e) The draft capital budget is tabled to Council 90 days before the start of the new financial year (31 March).
- f) After the draft budget is approved by Council, it is released for public comment.
- g) Once the comments from the public have been submitted, noted and considered, amendments are made to the draft budget and the budget is tabled to Council for final approval 30 days before the start of the financial year (30 May).

4.1.4. Implementation

- a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) should be compiled.
- b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.
- c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.
- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget

4.2. Operational Budget

The operational budget refers to the funds that would be raised in the delivery of basic services, grants & subsidies and any other municipal services rendered. These funds are in turn used to cover the expenses incurred in the day to day running of the organization.

4.2.1. Basis of Calculation

- a) The **incremental approach** is used in preparing the annual operating budget, except in cases where a contractual commitment has been made that would span over more than one financial year. In these instances the zero based method will be followed.
- b) The annual operating budget shall be based on realistically anticipated revenue.

- c) An income based approach shall be used where the realistically anticipated income is determined first and the level of operating expenditure would be based on the determined income.

4.2.2. Financing

The operating budget shall be financed from the following sources:

- a) Service Charges
 - (i) Electricity Charges
 - (ii) Water Sales
 - (iii) Refuse Removal Fees
 - (iv) Sewerage Fees
- b) Taxes

Increases in tariffs and rates will as far as possible be limited to inflation plus an additional percentage increase to accommodate the growth of the town.
- c) Grants & Subsidies

Grants and subsidies shall be based on all the gazetted grants and subsidies plus all other subsidies received by the organization.
- d) Interest on Investments

The budget for interest and investment shall be in accordance with the Cash Management and Investment policy of the organization.
- e) Rental Fees

Income from rental property will be budgeted for based on the percentage growth rate as determined by Financial Services for a particular budget year
- f) Fines

Income from fines will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year
- g) Other Income

All other income items will be budgeted for based on the actual income received in the preceding year (calculated on the basis of actual receipts until end of February of each year, extrapolated over 12 months) and the percentage growth rate as determined by Financial Services for a particular budget year

4.2.3. Budget Categories

The following expenditure categories shall be accommodated in the operating budget.

- a) **Salaries, Wages and Allowances**
The salaries and allowances are calculated based on the percentage increases as per the collective agreement between organised labour and the employer for a particular period. The remuneration of all political office bearers is based on the limitations and percentages as determined by the responsible National Minister.
- b) **Collection Costs**
It refers to costs attributed to the maintenance of the financial system used for the collection of outstanding amounts and is based on the service level agreement.
- c) **Depreciation**
The above is calculated at cost, using the straight line method, to allocate their cost to their residual values over the estimated useful lives of the assets
- d) **Interest External Borrowings**
The above refers to interest that has to be paid on an external loan taken up by Council. The budget will be determined by the repayments that the municipality is liable for based on the agreements entered into with the other party.
- e) **Bulk Purchases**
The expenditure on bulk purchases shall be determined using the tariffs as stipulated by the Water Boards and NERSA and by any other service provider from time to time.
- f) **Other General Expenditure**
A percentage growth for all other general expenditure will be based on the percentage determined by Financial Services in line with prevailing growth rates, CPI and prior actual expenditure trends.
- g) **Repairs and Maintenance**
The budget of repairs and maintenance shall be based on the increment as determined by Financial Services in conjunction with the needs of the departments in terms of repairing their assets.
- h) **Contributions to Funds**

Refers to the contribution made to provisions (e.g. leave reserve fund) on annual basis and is determined based on the actual expenditure in the previous year and any other factor that could have an effect.

- i) **Less: Debited Elsewhere**
This category refers to interdepartmental charges within the organization. The performance of each of line item is analyzed where after the budget is based on the preceding year's performance.
- j) **Appropriations**
Refers to the transfers to- and from the Capital Replacement Reserve, to offset depreciation charges. Appropriations are determined on an annual basis.

4.2.4. Process

- a) The CFO, in conjunction with the ~~Deputy Director~~Manager: Budget Office, and after consultation with the Portfolio Councillor of Finance set the reasonable growth level of the operational budget based on the current financial performance and the prevailing industry growth levels. (i.e. CPI).
- b) After the income has been determined, an acceptable growth level for the operating expenditure is determined and the draft operating budget is discussed with the relevant Directors for their perusal and comment.
- c) The draft operating budget is compiled based on the suggestions that emanated out of the engagements with the different stakeholders.
- d) The draft operating budget is submitted to the Mayoral Committee for consideration.
- e) The draft operating budget is tabled to Council 90 days before the start of the new financial year (31 March).
- f) After the draft operating budget is approved by Council, it is released for public comment.
- g) Once the comments from the public have been submitted and noted, same is considered in terms of the MFMA , where after the draft budget is tabled to Council for final approval, at least 30 days before the start of the new financial year (30 May)

4.2.5. Implementation

- a) After the budget has been approved, the service delivery and budget implementation plan (SDBIP) is compiled.
- b) The SDBIP must be tabled to the Mayor within 28 days after aforementioned approval.
- c) Each director has to indicate the intended spending patterns of both their capital and operating budgets. (Cash flows)
- d) These listed cash flows are consolidated into the Service Delivery and Budget Implementation Plan of the organisation.
- e) The SDBIP will be monitored on a monthly basis where actual spending will be compared with the planned spending as indicated by the directors at the beginning of the year.
- f) Each directorate can use their respective vote numbers as indicated on the capital budget.

5. Adjustments Budget

- a) An adjustments budget will be compiled only once a year if intended adjustments fall in one of the following categories:
 - i. to appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
 - ii. to authorise the utilisation of projected savings in one vote towards spending under another vote;
 - iii. to authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
 - iv. to correct any errors in the annual budget.

The adjustments budget for above mentioned categories will be tabled to council at any time after the mid-year budget and performance assessment but not later than 28 February of the that financial year.

- b) An adjustments budget will be compiled more than once a year if intended adjustments fall in one of the following categories:

- i. to adjust the revenue and expenditure downwards if there is material under collection of revenue during the current year
- ii. to appropriate additional revenues from National and Provincial Government that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programs already budgeted for;
- iii. to authorise unforeseeable and unavoidable expenditure recommended by the mayor
- iv. to authorise unauthorised expenditure as anticipated by section 28(2)(g) of the MFMA
- v. to authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council
- vi. to correct any errors in the annual budget

The adjustments budgets for above mentioned categories will be tabled to council at the first available opportunity after above mentioned events occurred.

- c) The adjustments budget will be treated in the same manner as the annual budget in terms of calculation and implementation.
- d) The adjustments budget must be approved by Council.

6. BUDGET VIREMENTATION

6.1 Virement Clarification

Virement is the process of transferring budgeted funds from one line item number to another, with the recommendation of the relevant Director to the CFO or delegated finance official, to enable the Budget Office to effect the adjustments.

6.2. Virement Procedure

- a) All virement proposals must be completed on the appropriate documentation and forwarded to the relevant Finance Officer for checking and implementation.
- b) All virements must be signed by the Director of the directorate within which the vote is allocated. (Section 79 MFMA)
- c) Projected cash flows in the SDBIP should be adjusted in line with the virement.

- d) All documentation must be in order and approved before any expenditure can be committed and incurred. (Section 79 MFMA)
- e) No virements of funds across votes (directorates) will be accommodated during the year; unless within the adjustments budget.

f) All virementations must be motivated and need to be approved by the CFO or a delegated official after the Director of the department has recommended said transfer. The latter requires that such application reaches the office of the CFO prior to incurring expenditure. No virementation will be entertained if found to facilitate the incurring of unauthorized expenditure.

g) No virementations will be considered after the February Adjustment budget facilitating fiscal dumping

h) No virementations after the closing of orders as stipulated in the financial protocol and/or formally communicated in line with the financial year-end preparation will be considered unless in an emergency.

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6.3. Virement Restrictions

- a) No funds can be viremented between the different types of budgets (E.g. virements can only be made form basic capital to basic capital and operating to operating)
- b) No virement may be made where it would result in over expenditure of a line item. (section 32 MFMA)
- c) No virement shall create new capital projects without the approval as contemplated or allowed by the adjustments budget process.

d) No -virement that would result in an increase in the staff establishment will be allowed.

e) The budget savings from the following line items (-necessary adjustments) may only be considered and transferred by the CFO

- (i) Salaries and allowances
- (ii) Depreciation

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- (iii) Finance Charges (Interest on Loan)
- (iv) Appropriations
- (v) Contributions to Funds
- (vi) Administration Cost
- (vii) Municipal Services Consumption (Water, Electricity, Refuse and Sewerage)
- (viii) Internal charges
- (ix) Bulk Purchases (Water and Electricity)
- ~~(ix)~~ (x) Agency Fees

- g) An approved virement does not give expenditure authority outside of what is allowed by Council's Supply Chain Management Policy.
- h) Virements may not be made between Expenditure and Income.
- i) Virements across expenditure category can only be authorised by the CFO. (eg. From one "Repairs and Maintenance" vote number to a "General Expenses" vote number.

7. BUDGET IMPLEMENTATION

7.1 Monitoring (Section 71 of MFMA)

The Accounting Officer with the assistance of the Chief Financial Officer and other senior managers is responsible for the implementation of the budget, and must take all reasonable steps to ensure that:

- funds are spent in accordance with the budget;
- expenses are reduced if expected revenues are less than projected; and
- revenues and expenses are properly monitored.

7.2 Reporting

7.2.1 Monthly budget statements (Section 71 of the MFMA)

The Accounting Officer with the assistance of the Chief Financial Officer must, not later than ten working days after the end of each calendar month, submit to the Executive Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following:

- i. actual revenues per source, compared with budgeted revenues;
- ii. actual expenses per vote, compared with budgeted expenses;
- iii. actual capital expenditure per vote, compared with budgeted expenses;
- iv. actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- v. the amount of allocations received, compared with the budgeted amount;
- vi. actual expenses against allocations, but excluding expenses in respect of the equitable share;
- vii. explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
- viii. the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
- ix. projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

7.2.2 Quarterly Reports (Section 52 of MFMA)

The Executive Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality. The report submitted to National and Provincial Treasury must be both in electronic format and in a signed written document.

7.2.3 Mid-year budget and performance assessment (Section 72 and 88 of MFMA)

The Accounting Officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.

The Accounting officer must then submit a report on such assessment to the Executive Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.

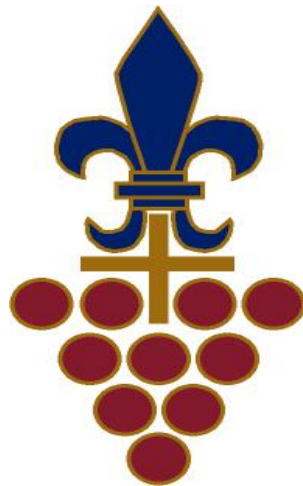
The Accounting Officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

8. REVIEW OF POLICY

This policy took effect on 1 July 2007 (excluding the amended sections for consideration) and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with relevant legislation.

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STELLENBOSCH MUNICIPALITY



TRAVEL AND SUBSISTENCE POLICY

**REVISED
2012/2013**

APPENDIX 10

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APPENDIX 10

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1. OBJECTIVE

It is essential that representatives of this municipality from time to time travel to other cities and towns in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organizations operating in the sphere of local government.

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2. TRAVEL

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2.1 Responsibilities of Representatives who travel on Business of the Municipality

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- a) Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit.
- b) Representatives who travel on the business of the municipality must take note that their actions, conduct and statements must be in the best interest of the municipality, and they must comply with any specific mandates they have been given.

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2.2 Car Rental, Travel Costs and rates

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- a) Only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire any other category (for example, when the number of representatives involved could justify the hire of a micro-bus).
- b) Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst traveling on the business of the municipality without having received prior authorization will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances.

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- c) All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorized by-

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e)

- (i) the executive committee, with regard to Holders of Public Office and the Municipal Manager, or
- (ii) the Municipal Manager, with regard to officials and applicants for interviews.

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- e)d) Parking and toll fees – actual cost will be reimbursed after the submission of proof.

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- e) If a representative utilises his or her personal motor vehicle *inside the boundaries demarcated for the municipality* he or she will be **not be** reimbursed.

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- e)f) An employee who receives a car allowance/ essential user scheme cannot make use of a council-owned vehicle for official business. The potential use of council-owned vehicles by councillors is regulated by the Remuneration of Public Office Bearers Act and applicable to full and non-full-time councillors.

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e)g) If a representative has to utilize his or her personal motor vehicle *outside the boundaries demarcated for the municipality* he or she will be reimbursed as followst:

i) **Part-time Councillors ~~Holders of Public Office:~~**

Official distances travelled in **excess of 500 kilometers** in a calendar month may be claimed. The reimbursement will be made according the running cost as per official AA Schedules applicable at the time.

As per circulars from Minister at Local Government

ii) **Full-time Councillors ~~Officials with vehicle/car allowance:~~**

Official distances travelled in **excess of 750 kilometers** in a calendar month may be claimed. The reimbursement will be made according the running cost as per official AA Schedules applicable at the time.

~~Running cost cc capacity as per official AA Schedules~~

iii) **Officials with car allowances:**

Official distances travelled in **excess of 750 kilometers** in a calendar month may be claimed. The reimbursement will be made according to the running cost as per the official AA Schedules applicable at the time.

iv) **Officials without a car allowance**

Shall be reimbursed in line with the SARS Guide for employers in respect of allowances. The distance to which the reimbursement applies, must be the shortest distance between the municipality's offices and the location where the official business is to be transacted. If the total number of kilometers for which such reimbursement is received, exceeds, 8 000 in any tax year, reimbursement for the excess kilometers over 8 000 shall be taxed for PAYE purposes. If the cost exceeds that of an air ticket, the lesser amount will be paid. Vehicle claims must be submitted by the 7th calendar day of the following calendar month, after the end of the previous calendar month that is being claimed for. All vehicle claims should be pre-approved. The physical address for the authorised travel shall clearly be indicated on the travel claim form. All travel claims shall be accompanied by a distant travel map obtainable from the internet. *Claims for a specific calendar month not claimed in the following calendar month will be forfeited. The official will have no right to claim for reimbursement for late submitted claims.*

v) **Members of a Committee: established in terms of applicable legislation:**

Shall be reimbursed according to the running cost as per the official AA Schedules applicable at the time. Only kilometers travelled in excess of 150 kms per meeting, will be reimbursed. Members should clearly indicate the physical address of the departure on the travel claim. Members of committees should submit their travel claims within 5 working days after their meeting. Claims submitted after the cut-off

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period will not be processed. The member will also have no right to claim a reimbursement for claims submitted after the stated cut-off period.

vi) Essential User Scheme:Transportation Allowance:

Officials who are in receipt of an Essential User Transportation Allowance will be reimbursed according the official Costs Tables of the “Essential User Scheme: Transport Allowance” circulars of SALGBC applicable. Official kilometers travelled *outside the boundaries demarcated for the municipality*, and in excess of the monthly maximum kilometers will be reimbursed according the running cost as per official AA Schedules applicable at the time.

vii) Substantive documentation required for travel claims (All councilors, Officials with car allowances, Essential User Scheme users)

A logbook acceptable to SARS reflecting official kilometers per month must be kept and provided for reimbursement. Vehicle claims must be submitted by the 7th calendar day of the following calendar month, after the end of the previous calendar month that is being claimed for. All vehicle claims should be pre-approved. The physical address for the authorised travel must clearly be indicated on the travel claim form. *Claims for a specific calendar month not claimed in the following calendar month will be forfeited. The official will have no right to claim for reimbursement for late submitted claims.*

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- h) Where possible representatives must travel together, up to a maximum of four in a vehicle, to minimize traveling expenses.
- i) For the purpose of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel to any country other than South Africa.

3. SUBSISTENCE

3.1 Subsistence Allowance

A daily subsistence allowance is an amount of money paid by the municipality to a representative to cover the following expenses-

- a) meals (including reasonable gratuities);
- b) Incidental cost such as refreshments, snacks, drinks, telephone and newspapers.

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A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs, or sightseeing. No further expenses may be claimed.

3.2 Entitlement to a Subsistence Allowance

- a) A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorized personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed.

b) A daily subsistence allowance will only be applicable where-

- (i) official business unavoidably entails one or more nights to be spent away from home, or
- (ii) Where the representative will be on official business for a period exceeding 12 hours, without being away from home for one or more nights.

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c) A representative of the municipality must claim his or her subsistence allowance, as provided in this policy before embarking on any official trip, with the exception where such claim reaches the creditors section at least three days before the trip; in which case such claim must be submitted after the event. Such a claim must be accompanied by details of the conference or workshop or emailed/faxed invitation.

d) No subsistence allowance will be paid, and no representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance.

e) For the purpose of a subsistence allowance, a representative shall mean-

- (i) mayor or executive mayor, as the case may be
- (ii) deputy-mayor
- (iii) speaker
- (iv) members of the executive committee or mayoral committee, as the case may be
- (v) other councillors specifically authorized to represent the municipality on a particular occasion
- (vi) municipal manager
- (vii) directors
- (viii) any other official/representative specifically authorized to represent the municipality on a particular occasion
- (ix) any official or councilor who is a member of a recognized professional institution and is granted permission to attend meetings and conferences of such institution.

f) A subsistence allowance of:

an amount equivalent to the rates as determined by the SARS , at the beginning of 1 July every year.

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g) The subsistence allowance of international travel will be the lesser of:

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i. an amount equivalent to the rates as determined by the SARS , at the beginning of 1 July every year.

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ii US\$190 per day where the exchange rate of ZAR is more than 5:1 in relation to the currency of the destination country; and

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iii US\$100 per day where the exchange rate of ZAR is less than, or equal to 5:1 in relation to the currency of the destination country;

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4. ACCOMMODATION

4.1 Accommodation Costs

- a) Representatives who travel on the business of the municipality, where the business unavoidably entails one or more nights to be spent away from home, may stay in a hotel, motel, guesthouse or bed and breakfast establishment.
- b) The actual cost of accommodation will be borne by the municipality, subject to a maximum of 3 star rating for the accommodation itself in respect of domestic travel. Where such accommodation is available, the rate for a single room will be payable.
- c) If no such accommodation is available, higher rating accommodation can be used subject to the prior approval of the Municipal Manager.

If a representative stays with a relative or friend, no accommodation allowance may be claimed, but the representative may claim a subsistence allowance at an amount equivalent to the rates as determined by the SARS, at the beginning of 1 July every year.

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5. TRAVEL AND SUBSISTENCE ALLOWANCES FOR APPLICANTS INVITED FOR INTERVIEWS

- a) Traveling costs at R2 per kilometer may be paid if the applicant has to travel more than 100km (in total) to attend the interview.
- b) Air tickets and booking of accommodation for applicants invited for interviews, must at all times be arranged by the Human Resources Department, in accordance with the Supply Chain Management Policy as well as the stipulations and upper limits as prescribed in this policy.
- c) Booking of rental vehicles on behalf of applicants, as well as reimbursement of claims by applicants in this regard, is strictly prohibited.
- d) A daily subsistence allowance of R200 will only be applicable where the interview entails one or more nights to be spent away from home, with the understanding that all personal expenses are covered by the subsistence allowance. No further expenses may be claimed.

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6. AUTHORISATION

6.1 For purposes of implementing this policy:

- a) **Only the Municipal Manager** may authorize any travel to be undertaken by Directors, or, but provided the expenses to be incurred are on the approved budget of the relevant department. Claims by other officials to be authorized by directors concerned.

- b) Only the Director Corporate and Strategic Service or the Municipal Manager may authorize payments to be made for persons invited for interviews, but provided that the expenses to be incurred are on the approved budget.
- b) Only the Executive Mayor together with the municipal manager may authorize any travel to be undertaken by Holders of Public Office, , but provided the expenses to be incurred are on the approved budget of the municipality.
- c) Only Directors may authorize travel to be undertaken by employees in the respective Directorate, but provided the expenses to be incurred are on the approved budget of the municipality.
- c) Authorization required as per paragraph a), b) and c) must be obtained prior to an occasion by any representative who travels on business of the municipality.
- d) Officials attending courses financed from council's training budget or LGSETA do not qualify for the subsistence allowance. Traveling will be reimbursed in these cases.

An invitation to attend a workshop, meeting or related event is not an automatic authorization to attend such workshop or event. The required authorization must still be obtained from the municipal manager or executive mayor or director as the case may be.

7. COUNCIL DELEGATES

Council delegates or representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, all allowances and disbursements paid to enable such delegate or representative to attend such event may be recovered if the municipal manager believes that grounds exist to so act, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

8. AUTHORITY

Any deviation from this policy for whatsoever reason must be authorized by the Municipal Manager and in the case of the municipal manager, the Executive Mayor will authorize.

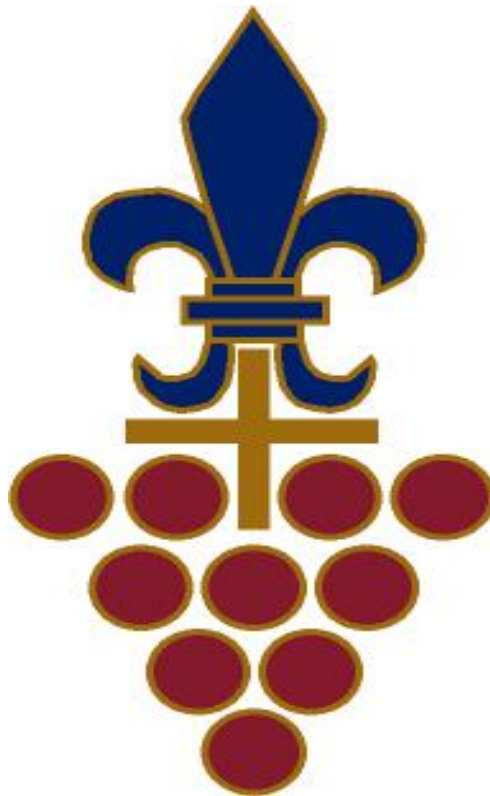
In any instance where a delegate did not attend business as approved in accordance with this policy, any expenditure incurred by the council should be refunded by the representative. All deviations in this regard must be approved by council.

9. TRAVEL AND SUBSISTENCE ALLOWANCE CLAIM FORM

The official Travel and Subsistence Allowance claim form, as prescribed by the Chief Financial Officer must be used with regard to Travel and Subsistence Allowance applications. The approved form should reach the creditors office 3 days before the intended day of departure.

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STELLENBOSCH MUNICIPALITY



INDIGENT POLICY

REVISED
2012/2013

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1. DEFINITIONS AND QUALIFICATIONS

Due to the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for basic municipal services.

The introduction of free basic services will ensure that indigent consumers have access to basic services.

1.1 Subsidy:

Subsidies are granted from external funds, allocated by the National Government as an Equitable Share allocation, to subsidize Indigent households with specified levels of basic services;

- a) Level of income enabling them to pay for a basic package of municipal services.

and/or
- b) Municipal property value (land and improvements).

1.2 Family:

- a) A family is defined as a family unit comprising of the head of the family and blood related or adopted dependants.
- b) The head of the family must be a South African citizen or have permanent residency.
- c) The head of the family must be the registered owner of the property or the registered lessee of a Council housing unit.
- d) To register as an indigent consumer the registered owner of the property or the registered lessee of a council housing unit must personally complete and sign the registration form.

1.3 Home:

- a) Only formal or informal housing units utilized for residential purposes will be taken into consideration for the purpose of this subsidy.
- b) Only informal structures registered in the official informal structures register will qualify for this subsidy.
- c) Applications deviating from the above will only be considered after a detailed investigation by the Revenue Section.

1.4 Liability for payment of municipal accounts:

- a) Subsidies will only be granted to families liable for the payment of municipal service fees.
- b) Subsidies will only be granted by means of a credit on municipal accounts and free basic electricity vouchers.
- c) Monthly accounts, as well as the instalments arranged in respect of the repayment of debt, must be paid punctually and in full.
- d) Prepaid electricity meters will be installed on all properties before receiving indigent subsidies to prevent escalation of debt.

1.5 Qualifying income:

- a) Gross family income is defined as the earnings of the head of the family, plus any other financial contribution towards the family income by any other dependant or occupant.
- b) The maximum qualifying income level will be equal to or less than R 3 000 p/m. Proof must be produced in the form of pay slips, unemployment certificates, income certificates or other acceptable proof of income.
- c) Should proof of income not be available, income may be declared by means of a sworn statement. Such applications will, however, only be considered after a full investigation by means of a socio-economic survey.

1.6 Targeting mechanisms:

The following principles for the granting of free basic services apply:

- a) Properties in respect of which property tax is levied on a maximum municipal valuation (land and improvements) of R 85 000 per residential property or residential unit occupied by the registered lessee of a Council housing unit.
- b) Consumers falling outside the set areas and valuation parameters, but qualifying in terms of all other parameters, may also be granted free basic service subsidies, based on individual applications.

1.7 Free basic services and conditions to qualify

1.7.1 Formal households

- a) 60 kWh electricity per household per month subject to it being supplied via a prepayment metering system as the qualifying criteria for a registered indigent household to be placed on the Lifeline Electricity Tariff;
- b) 6 kl water per household per month;
- c) property tax levied on a maximum municipal valuation (land and improvements) of R85 000 per residential property or residential unit not privately owned;

- d) the unit cost of a residential refuse removal in respect of a property valued at a maximum of R85 000; and
- e) the unit cost of sewerage supplied to residential properties with a maximum plot size of 250m²;
- f) 50% of the applicable tariff for clearances of septic tanks

1.7.2 Informal households

- a) 60 kWh electricity per household per month;
- b) Other services are not billed for

1.7.3 Indigent households residing in homes for senior citizens

- a) Indigent consumers living in homes for senior citizens shall be eligible to qualify for assistance and support under this policy, subject to the following rules and procedures:
- b) The onus will be on the head of the family (unit owner or lessee) to apply and submit proof that the electricity connection is in the name of the individual and not the corporate body for the purposes of passing/issuing the free basic electricity units.
- c) In the event of the unit being occupied by a single individual without any dependents as envisaged by section 1.2 (a) of this policy, the level of income to qualify shall be equal to or less than R 1500.00 per month.

1.8 **Free bulk services**

The provision of services (water stand pipes, high mast lighting, ablution facilities and refuse removal) to informal human settlements

1.9 **Other concessions**

Registered indigent consumers limited to the immediate family occupying the property excluding any extended family members could qualify for a discount of up to fifty percent on the approved fees and tariffs for non trading services as defined by Council from time to time subject to application to the Director: Community Services.

Proof of registration as an indigent consumer must be obtained from the Credit Control Section of Financial Services prior to the application for the discount being made. For the purposes of clarity, other categories of consumers (other than registered indigent consumers) such as back yard dwellers, farm workers and lessees of other property also earning equal to or below the indigent income threshold , may also qualify for the concessions, limited to the services envisaged under this section.

Discounted Services

Community halls discounts
Burial fees

2. ALLOCATION OF SUBSIDIES

- a) Amount per month: The amount as reflected in the subsidy table for Indigent families residing in formal homes.
- b) Only one subsidy per formal housing unit or registered informal housing unit may be allocated.
- c) Subsidy levels may be adjusted from time to time, depending on the availability of funds.
- d) Lessees of subsidized housing units already receiving a municipal subsidy for the alleviation of municipal service costs included in rentals will not qualify for an Indigent subsidy. Should the latter subsidy be more advantageous, such a lessee may request that the Indigent subsidy replace the rental subsidy.

3. SUBSIDY ALLOCATION CRITERIA

- a) The subsidy scheme is promoted through the press and by means of personal referral, especially by the debt recovery office.
- b) Only self targeting applications lodged by means of the prescribed application form will be considered by the Credit Control Section.
- c) Such families are visited personally by municipal employees or service providers, where after a written recommendation is considered.
- d) Persons with no income:
The maximum subsidy may be granted, even if accounts are not paid in full -
The status of any change of employment must be reported to Council for the purposes of reviewing the subsidy
- e) Each subsidy must be followed up at least every 12 months to ensure that circumstances did not change to such an extent that it might have an influence on such a subsidy.
- f) The municipality has the right to disclose a list of Indigent families for public inspection, which may include the publication, thereof.
 - (i) In a case of misrepresentation or any other transgression of the subsidy conditions, the subsidy will be withdrawn with immediate effect and not be reconsidered for a period of at least 12 months. Legal actions may be instituted to recover subsidies obtained under false pretences.
 - (ii) Indigence relief will not apply in respect of property owners with more than one property, whether in or outside the municipal area.

4. PROPERTY TAX REBATES BASED ON MUNICIPAL VALUATION

For the purpose of this policy, the rebates that applies to residential properties as per the Rates Policy, will apply.

5. FREE BULK SERVICES

The cost of the provision of free bulk services is recovered from the Equitable Share Allocation from National Government on an annual basis.

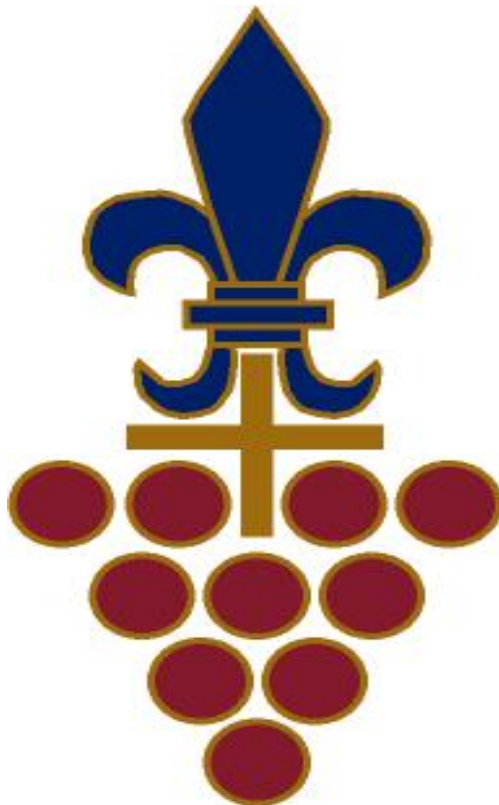
ANNEXURE 1

FREE BASIC SERVICES FOR THE PERIOD:

1 July ~~2011~~ 2012 to 30 June ~~2012~~ 2013

Service	Basis of calculations	Amount
Water	6 kl per month	R20.70 <u>19.80</u>
Sewerage	250 square meters plot size	R67.00 <u>61.18</u>
Refuse	One small domestic unit	R68.50 <u>63.13</u>
Electricity	60 kWh per month	R45.10 <u>38.70</u>
Total per month		R <u>201.30</u> <u>182.81</u>

STELLENBOSCH MUNICIPALITY



CREDIT CONTROL AND DEBT COLLECTION POLICY

REVISED
2012/2013

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PREAMBLE

In terms of section 96 of the Local Government: Municipal Systems Act, 2000 a Municipality shall-

- a) collect all money due and payable to it, subject to the provisions of the Act and any other applicable legislation; and
- b) for this purpose, implement and maintain a credit control and debt collection system which is not in conflict with its rates and tariffs policies and which complies with the provisions of the Act.
- c) In order to give effect to the afore going provisions of the Act, the council of the Stellenbosch Municipality has adopted a policy relating to credit control and debt collection as set out hereinafter.

1. PRINCIPLES

This policy supports the following principles:

- 1.1 Human dignity must be upheld at all times.
- 1.2 The policy must be implemented with equity, fairness and consistency.
- 1.3 Data related to debtors and accounts must be correct at all times.
- 1.4 The implementation of the policy shall be based on sound business principles, which may include credit worthiness checks and assessments of the credit risks involved.
- 1.5 New services will only be provided if supported by the relevant service contract(s).
- 1.6 Interest on overdue accounts will be charged at rates approved by Council from time to time, and will be levied on accounts outstanding after the relevant due dates thereof. For the purposes of calculation, a portion of a month will be deemed to constitute a full month.
- 1.7 Deposits will be utilised_ to proactively mitigate the potential of unnecessary credit risk exposure to Council.
- 1.8 ~~An administration fee and/or collection fee will be charged;~~ on overdue accounts according to Council's approved tariffs and Council's By-law.

2. REMINDERS/~~DEMANDS~~

Notices ~~and/or sms'e or any informative actions~~ are issued to account holders immediately after the due date as a means to recover debt and to remind consumers of their obligation to pay for services .

The aim of such reminders/~~sms'e/informative actions~~ is to get co-operation to settle accounts without the necessity to employ more drastic steps and to offer the opportunity to make arrangements to pay off such debt where the financial position of a consumer is such that relief is possible as per criteria in Council's Rates or Indigent Policies.

Failure to respond to a demand generated after a reminder will result in the disconnection and or restriction of services.

2.1 Annual Services

Should any amount be outstanding after the due date in terms of an amount levied annually;

- a) ~~final demands~~/~~sms'e/informative actions~~ for the full settlement of the account are issued as a first step in dealing with the recovery of debt.
- b) This will be supported by a telephonic-reminder where a contact number is available on Council's records.
- c) Should debt not be settled within the period stipulated or a suitable arrangement not be concluded, legal action will be instituted after generation of a final demand (with the municipality's rights reserved, notwithstanding the fact that services were disconnected or not) to recover such debt.

2.2 Monthly instalment accounts

2.2.1 Rates, Refuse Removal and Sewerage levied annually but paid by means of monthly instalments

Should ~~three or more~~any instalments be outstanding after any due date in terms of an amount levied monthly;

- d) Sms'e/informative actions followed by a final demand for the full settlement of the account are issued as a first step in the recovery process.
- e) This will be supported by a telephonic reminder where it is possible to reach the defaulting debtor or owner.
- f) In the event of arrears not being settled within the period stipulated in the final demand, or an arrangement not being concluded, ~~the option to pay in instalments will be withdrawn and~~ legal action will be instituted (with the municipality's rights reserved, notwithstanding the fact that services were disconnected or not) to recover the full outstanding debt.

2.2.2 Rental and Loan instalments

Actions against defaulters are regulated by the contracts involved.

All contracts must, where appropriate, include the following criteria/requirements.:

1. Due date for payments
2. Defaulting of payment after due date or failure to conclude acceptable arrangements to pay off debt may lead to disconnection or limitation of services, or restriction of pre-paid services, where legislation does not allow the complete termination of services
3. Handover procedures
4. Eviction / right sizing

2.2.3 Water and Electricity

A note on the municipal account, stating that the supply will be discontinued without further notice if the accounts are not settled in full, serves as a warning to a defaulting consumer that services will be discontinued upon defaulting on payments.

Sms'e/demands/informative actions may be issued after the due date to remind defaulting consumersthem of any unpaid amounts

In the event of a consumer other than a Registered Indigent consumer regulated by Council's Indigent Policy, failing to pay for services due and payable, and in the event of such consumer having been placed on the disconnection list 3 times within a financial year, Council will have the right to install pre-paid meters in a bid to limit credit risk.

2.2.4 Other Services: Sundry Accounts

Reminders in respect of accounts in arrears are issued by means of notices, sms'e, letters or telephonically as the information that must be supplied varies and is not always readily available for printing on a computerised reminder.

3. ARRANGEMENTS

Should account holders wish to make arrangements to pay off accounts in arrears, the following guidelines shall apply:

- a) The main aim of arrangements must be to ensure that current accounts are at least paid in full, before entering into acceptable arrangements to pay off arrears.
- b) Care must be taken to ensure that all reasonable financial and social assistance, as provided for in Council policy, is rendered to assist consumers before drastic action is taken to recover debt e.g. subsidies for Free Basic Services, rebates on property tax.
- c) All other arrangements must be accepted in writing and the debtor must be able to obtain a copy of it.
- d) Arrangements must be entered into that are both affordable to the consumer and

protect the Council's interest.

- e) Arrangements must be final and debtors should not be allowed to re-arrange debt repayments at will. Minor rescheduling of one or two payments could be allowed in meritorious cases, but it should not affect the basis of the original arrangements.
- f) It is of vital importance to ensure that the settlement of current accounts, together with the debt repayment instalment, is seen as the minimum requirement for any agreement
- g) Arrangements must be in a format that facilitates legal action, should it not be adhered to. Written arrangements should as far as possible be in the form of agreements in terms of Section 57 of the Act on Magistrates Courts.

All debt repayment arrangements should be logged on the computer system to ensure maximum accessibility and to enable the effective administration of such repayments.

- h) Arrears of Council Officials must be settled in full or arrangements to pay off such amounts, by means of salary deductions, may be entered into. This includes the seizure of bonuses or any other additional allowances (this section must be read in conjunction with the relevant sections of the Systems Act)

Council is allowed to recover all arrears more than ninety days of officials by means of salary deductions and proportionally from increases and/or the official's thirteenth cheque/performance bonus.

4. ADJUSTMENT OF DEPOSITS

Deposits may be increased to cover the additional risk as regulated in terms of Council's By-Laws. Increases in deposits shall be utilised to cover the additional risk resulting from defaulting on payments.

5. FURTHER ACTIONS

- a) Should arrangements not be made, or not be accepted or not be adhered to, services are discontinued or limited; or pre-paid services are restricted, provided that a fair and equitable procedure including reasonable notice of the intention to discontinue or limit as provided for in Council's By-Laws is followed. Where legislation does not allow for the complete termination of services, the Credit Control Section will determine the appropriate minimum level of service provision where after, all amounts owing become due and must be paid in full before services are restored to full capacity.
- b) Should amounts owed not be settled by the final date, i.e. after the date for payment set out in a final demand, such accounts and the relevant Section 57 agreements, where applicable, will be handed over to Council's Collection Attorneys for recovery and/or to institute further legal action.
- c) Council shall at its own discretion and without limiting the measures provided for in Council's By-Laws, be entitled to withhold the supply of services including the supply of water or electricity to a debtor who is found guilty of fraud, theft or any other criminal activity relating to the supply or unauthorised consumption of water and electricity or if it is evident that fraud, theft or any other criminal activity has occurred relating to such supply or consumption, until the total costs, penalties, other fees, tariffs and rates due and owing to Council have been paid in full.

6. NEW APPLICATIONS FOR SERVICES : NO TRANSFER OF SERVICES FROM AN OWNER TO TENANT (COUNCIL PROPERTY EXCLUDED) WILL BE ALLOWED FROM 01 JULY 2011

- 6.1 The person applying for a service to be rendered must be positively identified by means of a generally acceptable means of identification as used by financial institutions. A copy of the identification details (such as a copy of the person's ID and proof of residence (for business users)) must be kept for reference purposes.
- 6.2 The payment of a service deposit, based on minimum tariffs as determined by the Council or the applicant's payment, the expected consumption or the consumption record, if available, whichever is the greater.
- 6.3 Adjustments to deposits will be determined by the debtor's payment record of municipal accounts and consumption levels.
- 6.4 The provision of all services not regulated by acts and by-laws will be subject to the signing and acceptance of the conditions of supply contained in a service contract.
- 6.5 Should the applicant not be the owner of the property, where applicable, the applicant and the owner or his/her proxy must sign the contract. The owner accepts joint responsibility for the un-recovered debt of his/her tenant.
- 6.6 Where the applicant is not the owner of a property, the owner must, on his/her request, regularly be served with a copy of a statement of the amount due.
- 6.7 In order to enhance the effectiveness of credit checks, Council may subscribe to the services of a credit bureau.

7 THE RENDERING OF ACCOUNTS

- 7.1 Accounts must be rendered regularly and timeously to all property owners and consumers utilising municipal services.
- 7.2 Accounts must be consumer friendly and must clearly reflect the following minimum information:
 - a) the name, address and contact numbers of the Council;
 - b) the name and postal address of the account holder;
 - c) details of the property in respect of which the account is issued;
 - d) the contents of the account must be reflected in the language of the account holder – at present a choice between Afrikaans and English is offered;
 - e) the balance brought forward from the previous account, as well as a summary of transactions for the present period;
 - f) all services for which the account is rendered, as well as amounts billed for such services;
 - g) the final amount payable;
 - h) the final date for payment;
 - i) soft reminders in respect of interest levies and discontinuation of services; and
 - j) the situation of payment facilities, and modes of payment accepted and hours for payment.

8 ACCOUNT QUERIES

- 8.1 Consumers have the right to query accounts. In order to ensure the correctness of accounts and the satisfaction of consumers, all queries must be attended to swiftly and effectively.
- 8.2 Claims of not having received an account, do not constitute a valid reason for non-payment of accounts. Queries regarding such non-receipt must be followed up with the Revenue Section in order for same to be addressed.
- 8.3 Duplicate accounts shall be available upon request at a cost.

9 DUE DATES OF ACCOUNTS

Accounts are payable by the 7th day of each month or the first working day thereafter, should it fall on a weekend or public holiday.

10 ALLOW SUFFICIENT TIME TO SETTLE ACCOUNTS

In order to allow sufficient time to settle accounts, the account should, where possible, be rendered at least two weeks before the due date.

This necessitates proper scheduling of all processes leading to the issuing of accounts to meet council's commitment to its consumers.

11 CONSOLIDATION OF ACCOUNTS

In order to reduce cost and to enhance credit control and debt collection measures, separate accounts for services rendered in respect of a property or separate accounts of a debtor will be consolidated as far as possible.

12 PAYMENT OF ACCOUNTS – GENERAL

- 12.1 In order to promote the payment of accounts, payment facilities and hours for payment must be convenient to consumers, but the establishment of such facilities should still be subject to normal business principles and the economy of the provision of such services.
- 12.2 The following facilities are presently available – with the office hours and modes of payment indicated. Facilities are extended on an ongoing basis.

Facility	Hours	Payment methods accepted
Cash offices at Stellenbosch, Franschhoek and Pniel	Office hours: Monday to Friday	Cash, cheques
Receipting agents at shops in Klappmuts	Trading hours	Cash, cheques
Debit orders	Application during office hours	Bank transfers
EasyPay: Countrywide outlets of Pick 'n Pay, Shoprite/Checkers and other stores	Trading hours 7 days per week	Cash, cheques, credit cards, debit cards.
<u>@ Pay: Shoprite/Checkers, PnP, OK, U Save and Spar</u>	<u>Trading hours (still to be activated per SLA) 7 days per week</u>	<u>Cash, cheques, credit cards, debit cards.</u>
Internet payments	All hours	Bank transfers
Direct bank deposits	Banking hours	Bank transfers
Personnel deductions	Office hours	Direct deductions from earnings

24 hour Utility shops at petrol stations	All hours	Cash, cheques, credit cards, debit cards
Itron Vending Agents	Trading hours	Cash, cheques

Software packages providing the facility to effect deduction of municipal service accounts from the earnings of participating employers are available.

13 DISHONoured PAYMENTS

- 13.1 Receipts issued in respect of dishonoured cheques and ACB deductions must be written back upon receipt of such notices. Interest on arrears must be raised where applicable and admin costs be debited to debtors account. Debtors must be notified and debt recovery actions be instituted where necessary.
- 13.2 Should payments be dishonoured twice, the debtors system must be encoded not to accept cheques or debit order transactions of such a debtor and he/she must be informed thereof in writing.
- 13.3 If payments are dishonoured twice in a financial year, consumer deposits will be adjusted to mitigate increased financial risk.

14 PENDING LEGAL ACTIONS AGAINST CONSUMERS

Legal actions, such as notices of intended sales in execution, press releases regarding pending insolvency's, etc. shall be followed up to evaluate the credit rating of such debtors in order to take steps to minimize the risk of financial loss for Council.

15 INTEREST

- 15.1 Interest is raised on all balances of interest-bearing services remaining unpaid after the due date of such accounts.
- 15.2 A once-off penalty can be raised on all water and electricity balances for a specific month, remaining unpaid after the due date for that month
- 15.3 In both instances a portion of a month is deemed to be a full month for the purposes of calculation.
- 15.4 Interest and penalty rates on outstanding accounts after the due date will be charged at a rate of prime plus one percent.
- 15.5 In cases where merit exists for the writing back of interest, that the Manager: Treasury Office consider such cases for approval and accordingly be limited to cases where all arrears are recovered and or over a specified period of three months.

16 CONDITIONS RELATING TO RATES AND CONSUMER SERVICES

16.1 Rates and other Annual Fees

- 16.1.1 This policy also applies to annual levies in respect of sewerage and refuse removal as promulgated in the Municipal Property Rates Act, No 6 of 2004.
- 16.1.2 This includes the granting and withdrawal of monthly instalment facilities, rebates, exemptions and grants in aid.
- 16.1.3 The final demands as prescribed by the Municipal Property Rates Act, No 6 of 2004 must be issued immediately after the due date of annual accounts. The final demand shall be augmented by a telephonic reminder where practically possible.

16.1.5 Extension to settle accounts by not later than three months after the original due date of the annual accounts, may be given by personnel of the rates section in consultation with Credit Control.

16.1.6 In the event of debtors not reacting to final demands, or make arrangements to pay off arrears over an agreed period, those accounts will be handed over to Council's Collection Attorneys for collection.

17 MONTHLY ACCOUNTS IN RESPECT OF WATER, ELECTRICITY, SEWERAGE, REFUSE REMOVAL AND OTHER CONSUMER SERVICES

17.1 Debtor's records must be coded correctly and timeously to ensure the rendering of accurate accounts to consumers.

17.2 The supply of water and electricity must conform to the conditions of supply set out in the By-Laws for Stellenbosch Municipality, as promulgated in the Provincial Gazette.

17.3 Due to the step rate tariffs employed for these services, care must be taken to ensure meter readings are taken accurately and at intervals as close as possible to 30 days. Should this not be possible, consumption may be estimated as set out in Council's By-Laws. As a general rule it is accepted that deviations in consumption periods exceeding 10% should be guarded against.

18 SUNDRY SERVICES

18.1 Accounts for recovery of cost encountered by the Council in respect of sundry services rendered are issued if and when such services are rendered to consumers.

18.2 As these services are usually not based on formal service contracts, it is essential that it be billed as soon as possible and the recovery of such debt must receive priority. The risk of a loss to Council is more eminent than in the case of other services.

18.3 Care should be taken to obtain full and accurate information of such debtors and to obtain prepayment for such services where possible.

18.4 Actions applied to follow up unpaid accounts will be determined by the nature and size of the debt and the cost effectiveness of such actions.

19. CONDITIONS RELATING TO RENTAL AND PURCHASING OF COUNCIL PROPERTY

19.1 Council property may only be leased or sold after approval of such transactions and the signing of a rental or purchase agreement. Such approvals may be by way of specific council resolutions or in the form of delegations.

19.2 The conditions for payment of instalments and deposits are regulated by the contents of the rental and purchase agreements and Council explicitly reserves its rights to discontinue services for non-payment not only limited to the leased property but any other property of the lessee within the jurisdiction of WC024.

19.3 Other specific rental and purchase agreements are tailored to the specific nature and requirements of such transactions.

19.4 As a general rule, instalments are payable in advance. Full details of remedies for defaulting lessees and purchasers and procedures to address such defaults must be contained in the relevant contracts, but must not have the effect of limiting Council in terms of this or any other policy regulating arrears..

- 19.5 These remedies usually commence with written reminders, leading to the cancellation of the contracts and the institution of further legal action where necessary.
- 19.6 Rental and purchase agreements represent formalised individual contracts that form the basis of all actions by the parties involved. Both parties are bound to such conditions, failing which may lead to the cancellation of such contracts by the parties involved and claims for damages.
- 19.7 Lessees whom may qualify for rental subsidies must be referred to the housing office to apply for such subsidies in an effort to make rentals more affordable.

20. RENTALS IN RESPECT OF COUNCIL EMPLOYEES

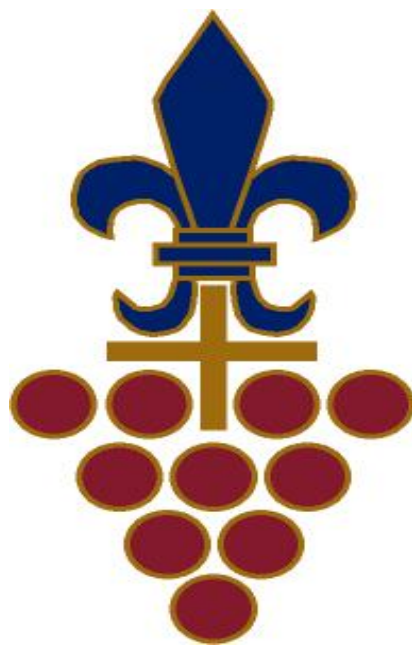
Apart from the general conditions applicable to general rental and purchase agreements the following conditions will also be applied:

- a) Instalments will be based on the principle of market related rentals as required by SCM Regulation 40
- b) Instalments, as well as rates and service charges, where applicable, may only be paid by means of salary deductions. A specific clause to this effect must form part of the contract.
- c) The Chief Financial Officer, or his nominee, must co-sign purchase and rental agreements of employees to ensure that financial conditions are met.

21. INDIGENCE

- | 21.1 The recovery of debt from ~~certain categories of~~ indigent consumers and the provision of Free Basic Services are treated in terms of Council's Indigent Policy.
- 21.2 Council supports the principle of providing support to indigent consumers by way of providing free basic services in accordance with the provisions of Council's Indigent Policy, but to registered consumers only and all effort must be made to limit the re-occurrence or accumulation of indigent debt of such consumers.
- 21.3 The collection targets consistent with generally recognised accounting practices and collections ratios and the estimates of income set in the budget less an acceptable provision for bad debts are as regulated and set out in the relevant policies of Council including the Irrecoverable Debt Policy read with Council's Accounting Policy.

STELLENBOSCH MUNICIPALITY



PETTY CASH POLICY

REVISED
2012/2013

APPENDIX 13

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1. INTRODUCTION

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner. Therefore the Stellenbosch Municipality adopts the following petty cash policy.

2. REGULATORY FRAMEWORK

- a) The Municipal Finance Management Act (56 of 2003)
- b) Section 15 of the Municipal Supply Chain Regulations
- c) Treasury regulations in terms of Section 13(1) of the Act.

3. OBJECTIVES

Compliance with the regulatory framework in terms of the relevant legislation is required.

4. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of the MFMA (Section 65) are:

Accounting Officer (Municipal Manager)-

- (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.
- (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure—
 - (a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds;
 - (b) that the municipality has and maintains a management, accounting and information system which—
 - (i) recognises expenditure when it is incurred;
 - (ii) accounts for creditors of the municipality; and
 - (iii) accounts for payments made by the municipality;
 - (c) that the municipality has and maintains a system of internal control in respect of creditors and payments;
 - (d) that payments by the municipality are made—
 - (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
 - (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager delegates authority to the Chief Financial Officer.

5. PETTY CASH FRAMEWORK

5.1 General Policy

- a. The use of petty cash floats is strictly confined to individual cash purchases of:
- i) up to a maximum of R500, where the petty cash floats in other departments are used to make purchases,
 - ii) up to a maximum of R2 000, when claimed from the Financial Services Petty Cash Float.

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~~e.b.~~ It is not acceptable for one receipt or a number of receipts, in respect of the same event, which have been obtained by the same person, to be split over two cash purchase claims.

~~d.c.~~ A petty cash float is not to be used for any of the following:

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- i) ~~the~~ cashing of cheques;
- ii) loans to any person whatsoever;
- iii) payment of personal remuneration to any ~~employee~~ person whatsoever, whether for ~~fees~~, salaries, wages, travel allowance as part of remuneration, honorarium or other reason.

~~iv.) Purchases of capital items~~

~~iv.)~~

iv) Purchase of capital items

v) Purchases from SCM Database suppliers

~~v) Purchases from SCM Database suppliers other than in an emergency.~~

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~~f.d.~~ Other cash floats may also be established for the purpose of providing change, for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established.

~~d.~~
~~d.e.~~ The Chief Financial Officer may approve the use of petty cash for excluded use, based on practical reasons or cost-benefit reasons. Such an authority will be done on a case by case basis for the purposes of considering merit.

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5.2 Purchases through Petty Cash Float – Supply Chain Management Office

a. Purchases from SCM database suppliers shall be allowed in the following instance, provided that a monthly submission is made to the CFO of all purchases and the respective director confirming the enforcement of rotation of suppliers:

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~~d.i)~~ When the amount of the individual purchase / event is less than R250.00, irrespective of it being an emergency or not.

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b. Purchases from SCM database suppliers are NOT allowed for capital items ~~or~~ fuel.

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- c. Petty claims will be dealt with on a first come, first serve basis and it is subject to the monetary limit of the petty cash.

h. _____
m.f. _____

5.32 Establishing and Operating a Petty Cash Float

- a. To establish a new petty cash float or increase an existing advance, a written application is to be made to the Chief Financial Officer by the relevant Department.
- b. The total value of the advance requested will be an amount which would normally necessitate reimbursement approximately once a week. This level of advances keeps to a minimum the overall cash in the buildings on municipal property and ensures regular inclusion of information regarding expenditure in financial reports and for budget control purposes.
- c. A request for the establishment of an advance will indicate the name and status of senior administrative or clerical staff to be held responsible for the operation of the petty cash float. The staff member's specimen signature must also be submitted by the Department to the Chief Financial Officer, together with the application documentation.
- d. The application will indicate the security arrangement in place to ensure safe custody of funds in the office. The minimal security arrangement that will be acceptable is that the float will be kept in a locked box which will be kept in a locked filing cabinet or safe.
If an advance is approved, the Assistant Accountant: Creditors will advise the Department accordingly and request that the responsible staff member collect the advance. This establishing advance will be charged to a "Petty Cash Advances - ...Name/Dept..." in the General Ledger and not against any expenditure votes. A register of advances is thus maintained per Ledger Account for the purpose of accounting for all petty cash floats.

5.43 Security of Petty Cash Floats

- a. The cash on hand and used petty cash vouchers are to be kept in a locked box for which there should be two keys. One key is to be retained by the officer (on their person) normally responsible for the petty cash and the other to be kept in a sealed envelope in the office safe or other secure place, to be used only in an emergency.
- b. The locked petty cash box must be kept in a secure place when not in use and should be removed and returned by the responsible staff member only. At no stage should staff other than the responsible administrative/clerical staff member have access to the storage place of the petty cash box.

- c. Under no circumstance are keys to be left in the lock to the petty cash box, cabinet or safe.
- d. If the responsible officer is either going on leave or is leaving the Municipality's employment, the petty cash float is to be reconciled and signed by the departing- as well as replacement staff members, to indicate their agreement as to its balance. The replacement staff specimen signature must also be submitted to the Chief Financial Officer.

d.

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5.45.5 Completing a Cash Purchase Claim Form

- a. Petty cash stationery is available from the Expenditure Section (Financial Services). The form consists of two parts:
 - (i) Cash Purchase Claim page
 - (ii) Cash Purchase Record page
 - (iii) Receipt for cash advance (Only when appropriate, refer paragraph on Advances).
- b. All details entered on the Cash Purchase Claim appear on the Cash Purchase record page.
- c. The Cash Purchase Claim must be completed as follows:
 - (i) description and cost of the goods/services purchased
 - (ii) purchaser's signature
 - (iii) vote number to be charged
 - (iv) signature of the Officer in Charge of Petty Cash.
- d. Original receipts or other valid documentation as required must be attached as proof of payment, with the signature of an appropriate financial delegate on this documentation. A financial delegate can not authorise a cash purchase claim where she or he is the purchaser.

5.65 Sub-Advances to staff members

- a. If it is necessary to make an initial sub-advance to a staff member for various needs, a receipt for cash advance must be completed. The receipt for Cash Advance Form must be completed as follows:

a.

- (i) description and *estimated* cost of the goods/services purchased
- (ii) purchaser's signature
- (iii) vote number to be charged
- (iv) signature of the Officer in Charge of Petty Cash.

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- e.b. On completion of the purchase, the recording-, documentation- and authorization requirements will be as stated in the above paragraph: Completing a Cash Purchase Claim Form.

All such sub-advances will be accounted for within 24 hours, by submitting original receipts and other applicable documentation required, attached as proof of payment (with the approval signature on the documentation). Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or the money will be deducted on his/her next salary irrespective of consent being given or not^{ed}. Not more than one advance will be made to any one person at a time.

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5.76 Out-of-Pocket Payments

- a. Where a staff member has made purchases from their own funds and now seeks reimbursement from the petty cash, supporting documentation must be provided to substantiate the claim.
- b. The supporting documentation is to be attached to the Claim.
- c. The recording- , documentation- and authorization requirements will be as stated in the above paragraph (**Completing a Cash Purchase Claim Form**).

5.87 Reimbursement of Petty Cash Floats

- a. A petty cash float is operated on the basis that expenditure from the float is periodically reimbursed. Such reimbursement-
 - (i) returns the cash level of the petty cash float to its original level and
 - (ii) charges the expenditure which has been made, to the correct expenditure vote.
- b. Accordingly, at any point of time, the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for un-finalised purchases, plus the completed cash purchase claim forms, will equal the level of the petty cash advanced to the Department.
- c. Completed Cash Purchase Claim forms, with attached cash register slips, etc., must be taken by the officer in charge of the Petty Cash in a Directorate/Department, to the Assistant Accountant: Accounts Payable for reimbursement, after the Summary Claim Cover Page and attached documentation have been authorised by a financial delegate at least once in 14 days. Reimbursement of claims where supporting documentation is missing will not be entertained.
- d. The prescribed Summary Cash Purchase Claim form as well as other relevant forms attached to it must be completed in full.
- e. The most recently completed Cash Purchase Claim form must record the reconciliation of the petty cash float. The Assistant Accountant: Accounts Payable will refuse reimbursement of claims where this is not supplied.
- f. A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

5.98 Shortages

- a. Any shortages in respect of a petty cash float must be paid in immediately.
- b. Where a petty cash float is stolen the incident must be reported promptly to the Chief Financial Officer in the required format, after which same needs to be reported to the South African Police Services and a case number provided to the Assistant Accountant: Accounts Payable.

b.

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5.109 Procedure applicable when a Petty Cash Float is repaid/cancelled

When an advance is no longer required, a statement in a form of a memorandum is to be completed and signed by the Head of the relevant Department and submitted to the Assistant Accountant: Accounts Payable, with the balance of cash on hand and completed and authorized Cash Purchase Claim forms. The most recently completed Cash Purchase Claim form will record the reconciliation of the petty cash float, where after a cheque will be issued to the relevant person to effect completion of the transaction..

The Cashier will issue a receipt to the [affected department](#).

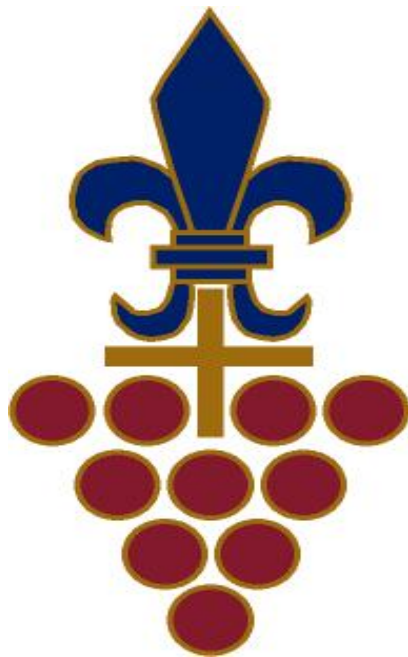
5.110 Financial year-end procedures

- Reconciled petty cash registers (cash slips attached), accompanied with the cash balance must be returned to the Senior Accountant: Expenditure a week before the financial year end.

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STELLENBOSCH MUNICIPALITY



CASH MANAGEMENT AND INVESTMENT POLICY

REVISED
2012/2013

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PREAMBLE

Whereas section 13 of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) determines that a municipality must introduce an appropriate and effective cash management and investment arrangement;

and whereas a bank, in accordance with the provisions of section 13 of the Act, has to disclose details regarding a municipalities' investments;

and whereas councilors and officials, as trustees of public funds have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible;

now therefore the Stellenbosch Municipality adopt the cash and investment management policy set out in this document.

1. LEGAL FRAMEWORK

- a) Legislation – local government: Municipal Finance Management Act 56 of 2003 (As amended)
- b) Treasury regulations in terms of Section 13(1) of the Act (As amended)

In this policy the Act refers to the MFMA.

2. OBJECTIVES

- a) To maximize returns from authorized investments, consistent with the secondary objective of minimizing risk
- b) To ensure compliance with all legislation governing the investment of funds.
- c) To maintain adequate liquidity to meet cash flow needs
- d) To undertake the investment of funds not immediately required for operational purposes in a prudent financial manner.
- e) To ensure diversification of permitted investment.

3. CASH MANAGEMENT POLICY

3.1 General Policy

It is recognised that from time to time, Council has cash flow surpluses and borrowing requirements due to daily receipts and payments.

Council maintains a daily cash position summary and a yearly cash flow projection is prepared during the annual planning process and is updated monthly. This determines Council's borrowing requirements and surpluses for investment. Cash invested "outside" the bank account is covered by section 4 of this policy.

3.2 Bank Accounts

Council operates one primary bank account for its day to day operational activity requirements and two -secondary accounts specifically for service charges and revenue derived from Fines.

All monies due to Council and due by Council emanating from Council activities must pass through this primary account, therefore secondary accounts are swept daily and all balances are transferred to the primary bank account.-

3.2.1 Cheque Management

Cheques are printed in batch format. To prevent the removing of cheques, cheques are delivered in sealed boxes where strict control is exercised over the numerical sequence of cheques on the expenditure system by means of a cheque register.

3.2.2 Delegation/Rights

The incumbents of the following posts are authorized to sign cheques on behalf of Council

3.2.33.2.2.1 Cheques

A-Signatories: Director: Financial Services/Chief Financial Officer
~~Deputy Director~~Manager: Budget Office
~~Deputy Director~~Manager: Treasury Office
ManagerHead: Expenditure
ManagerHead: Revenue
ManagerHead: Supply Chain Management
B-Signatories: ManagerHead: Budgeting and Costing
ManagerHead: Financial Statements and Reporting
B-Signatories: Chief Accountant: Consumer Accounts and Valuations
Senior Accountant: Cash Management and Credit Control
Senior Accountant: MFMA Reporting and Compliance
Senior Accountant: Financial Statements and Reconciliations
Senior Accountant: Financial Asset Management
Senior Accountant: Expenditure

Each ~~cheque~~payment needs to be signed by at least two A-signatories, or one A-signatory and one B signatory.

3.2.43.2.3 3.2.2.2 Electronic Funds Transfer (EFT)

A-Signatories: Director: Financial Services/Chief Financial Officer
Manager: Budget Office
Manager: Treasury Office
Head: Expenditure
Head: Revenue
Head: Supply Chain Management
Head: Budgeting and Costing
Head: Financial Statements and Reporting
B-Signatories: Chief Accountant: Consumer Accounts and Valuations
Senior Accountant: Cash Management and Credit Control
Senior Accountant: MFMA Reporting and Compliance
Senior Accountant: Financial Statements and Reconciliations
Senior Accountant: Financial Asset Management
Senior Accountant: Expenditure

Each electronic payment needs to be authorized by at least two A-signatories, or one A-signatory and one B signatory.
~~Authorisation same as cheques above.~~

3.3 Bank Overdraft

- 3.3.1 Barring the fact that Council has an approved overdraft facility with its primary banker for possible unanticipated short-term cash flow shortfall, its general policy is to avoid going into overdraft.

Short-term debt is incurred based on expected income and must be repaid within the same financial year. (Section 45 of the MFMA)

- 3.3.2 Any overdrawn bank account at any date must be reported without avail to Council supported by reasons therefore.

3.3.3 Any short term facility that requires review must first be approved by the Accounting Officer.

4. INVESTMENT POLICY

4.1 General Policy

Generally Council will invest surplus funds with deposit taking institutions registered in terms of the Bank's Act, 1990 (Act 94 of 1990) for terms not exceeding one year in anticipation of cash flow expectations. From time to time, with prior Executive Mayoral Committee approval, investments can exceed 1 [one] year and be made at other institutions/instruments as approved in the National Treasury regulations from time to time.

4.2 Diversification

Council will only make investments with approved institutions which have an A rating as per Appendix A. Not more than 30% of available funds will be placed with a single institution. (Excluding investments made per Executive Mayoral Committee resolution).

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4.3 Investment Managers

4.3.1 External Investment Managers

The municipality may as and when the need arise approach an external A-graded investment manager to administer the investment portfolio on its behalf. The external investment manager will be appointed in terms of SCM policy and service level agreement will govern the functions and responsibility of the service provider. All investments made by the external investment manager on behalf of the Council of Stellenbosch must be made within the ambit of this policy and with National Treasury's investment regulations.

4.3.2 Internal Investment Manager

All investments made by the internal investment manager shall be in accordance with section 4.4 of this policy.

4.4 INTERNAL CONTROLS OVER INVESTMENTS

4.4.1 Delegations

In terms of section 79 of the Act, the Accounting Officer has delegated to the Director: Finance (CFO), in writing, his duty under section 65(2)(h) to manage the councils available working capital effectively and economically in terms of the prescribed cash management and investment framework. The CFO has sub delegated this responsibility to the ~~Deputy Director~~Manager: Budget Office. The latter does not mean that responsibility is abdicated.

4.4.2 Obtaining quotations and concluding deals

Writing mandates, signed by the ~~Deputy Director~~Manager: Budget Office and the CFO, shall be issued to all investees with whom the Council of Stellenbosch invests funds setting out the following

- 4.4.2.1 Authorised dealers: name and particulars of the Councils officials who are authorised to transact investments deals with the investees;
- 4.4.2.2 Authorised signatories: name and particulars of the Councils officials who are authorised to sign written confirmations or any other correspondence in respect of investments transactions.
- 4.4.2.3 A dealing sheet, signed by an authorised dealer, shall be prepared in all instances for each individual investment, detailing the quotations received and the recommended investee. The Deputy Director: Budget Office, together with any one of the authorised signatories referred to above, shall be authorised to approve the transaction.

A written confirmation of the terms of each investment transaction shall be prepared, and signed off by the ~~Deputy Director~~Manager: Budget Office and the CFO.

4.5 Ownership

All investments must be made in the name of the Council of Stellenbosch Municipality. Written proof of investments made must be obtained from the institution where the investment is made and must be kept on file.

5. DUE CARE

In dealing with financial institutions, the following ethical principles must be observed:

- 5.1 The Chief Financial Officer and all staff in his/her directorate shall not accede to any influence by or interference from Councillors, investment agents, institutions or any other outsiders.
- 5.2 Under no circumstances may inducements to invest be accepted;
- 5.3 Interest rates quoted by one institution must not be disclosed to another institution; and
- 5.4 The business ethics of any controlling body of which the relevant financial institution is a member must be observed by such institution or body at all times.

6. PERFORMANCE MEASUREMENT

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective measures. The predominant subjective measure is the overall quality of treasury management information. The Chief Financial Officer has primary responsibility for determining this overall quality.

Objective measures include:-

- 6.1 Adherence to policy.
- 6.2 Timely receipt of interest income.

7. REPORTING

7.1 Reports

The following reports are produced:

REPORT NAME	FREQUENCY	PREPARED BY	RECIPIENT
Bank Balance report	Daily	Senior Clerk Bank Reconciliations	Chief Finance Officer
Investments	Monthly	Manager: Financial Statements and Reporting	Deputy Director Manager: Budget Office Chief Finance Officer Director: Finance Council

8. ANNUAL REVIEW OF POLICY

This policy on investments will be reviewed annually or earlier if so required by legislation.

Any changes to the investment policy must be adopted by council and be consistent with the Act and any National Treasury regulations.

9. EFFECTIVE DATE

| The effective date of this policy ~~shall be~~^{was} 1 July 2007 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

APPENDIX A

APPROVED INSTITUTIONS

Bank Ratings

Banking Institution	Short-term	Long-term
ABSA Bank Ltd		AAA
Development Bank of SA		AAA
First Rand Bank Ltd		AA+
Sanlam Capital Markets Ltd		A
Imperial Bank Ltd		A+
Investec Bank Ltd		A+
Land and Agricultural Bank of SA		AA-
Nedbank Ltd		AA-
Standard Bank of South Africa Ltd		AA+

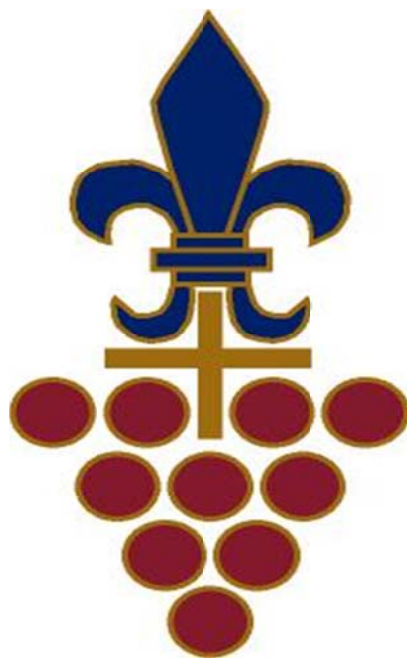
1. Long-term ratings

AAA- Obligations which have the highest rating assigned by Fitch IBCA on its nation rating scale for that country. This rating is automatically assigned to all obligations issued or guaranteed by the sovereign state. Capacity for timely repayment of principal and interest is extremely strong, relative to other obligors in the same country.

AA- Obligations for which capacity for timely repayment of principal and interest is very strong relative to other obligors in the same country. The risk attached to these obligations differs only slightly from the country's highest rated debt.

A- Obligations for which capacity for timely repayment of principal and interest is strong relative to other obligors in the same country. However, adverse changes in business economic or financial conditions are more likely to affect the capacity for timely repayment than for obligations in higher rated categories.

STELLENBOSCH MUNICIPALITY



ACCOUNTING POLICY

REVISED
2012/2013

Basis of Preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements should be prepared on the accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated financial statements and accounting for controlled entities
GRAP 7	Accounting for Investments in Associates
GRAP 8	Financial Reporting of Interest in Joint Ventures
GRAP 9	Revenue
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
<u>GRAP 21</u>	<u>Impairment of Non-Cash Generating Assets</u>
<u>GRAP 23</u>	<u>Revenue from non-exchange transactions</u>
<u>GRAP 24</u>	<u>Presentation of Budget Information in Financial Statements</u>
<u>GRAP 26</u>	<u>Impairment of Cash Generating Assets</u>
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations

GRAP 101	Agriculture
GRAP 102	Intangible Assets
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments

GRAP 6, 7, and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

These accounting policies and the applicable disclosures have been based on the International Public Sector Accounting Standards (IPSAS) and the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non-Cash-Generating Assets
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRIC 4	Determining whether an arrangement contains a lease

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

The principal accounting policies adopted in the preparation of the annual financial statements are set out below.

1. Significant judgments and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

1.1 Revenue Recognition

Accounting Policy 14 on Revenue from Exchange Transactions and Accounting Policy 15 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgment, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.2 Financial assets and liabilities

The classification of financial assets and liabilities is based on judgment by management.

1.3 Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

1.4 Impairment of Financial Assets –

Accounting Policy 1.12: Financial Instruments, referring to paragraph on Impairment of Financial Assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the Annual Financial Statements.

1.5 Useful lives of Property, Plant and Equipment –

As described in Accounting Policy 7, the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge and are revalued annually.

1.6 Defined Benefit Plan Liabilities –

The municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the Annual Financial Statements.

2. Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 16 - Provisions.

2.1 Presentation of currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality, and amounts are rounded off to the nearest R1.

3. Concern Assumption

The annual financial statements have been prepared on the assumption that the municipality is a going concern and will continue in operation for the foreseeable future.

4. Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing

Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

5. Internal reserves

5.1 Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/deficit is credited by a corresponding amount when the amounts in the CRR are utilised.

5.2 Capitalisation reserve

On the implementation of GAMAP/GRAP, the balance of certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment, were transferred to a Capitalisation Reserve rather than the accumulated surplus/deficit, as in prior years, in terms of a directive (Circular No. 18) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation charge that will be incurred over the useful lives of these items of property, plant and equipment is offset by transfers from this reserve to the accumulated surplus/deficit.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/deficit.

5.3 Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

5.4 Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

5.5 Self insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

6 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment in particular land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

7. Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

7.1 Measurement

Property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Subsequent to initial recognition, items of property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses, where applicable.

Subsequent to initial recognition, buildings are carried at a revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

An increase in the carrying amount of land and buildings as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended is examples of subsequent expenditure which should be capitalised.

7.2 Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets and after taking into account the residual value of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following originally estimated useful lives (unless a technical assessment of an individual asset concludes that a material variation is necessary):

7.3

Infrastructure	Years	Other	Years
Roads and Paving	10-100	Buildings	30
Electricity	10-50	Specialist vehicles	10
Water	10-100	Other vehicles	5
Sewerage	10-100	Office equipment	1-7
Housing	30	Furniture and fittings	1-10
		Watercraft	15
Community		Bins and containers	5
Improvements	30	Specialized plant and	
Recreational Facilities	20-30	Equipment	10-15

Security	5	Other plant and	
		Equipment	2-5

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statements of Financial Performance.

7.4 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

~~These are assets that are defined as culturally significant resources which are not depreciated owing to the uncertainty regarding their estimated useful lives.~~

7.5 Land

Land is not depreciated as it is deemed to have an indefinite useful life.

7.6 Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is commissioned into use.

7.7 Disposal of property, plant and equipment

The book values of assets are written off on disposal. The difference between the carrying value of assets and the sales proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

7.8 Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

7.8.1 Impairment of Cash Generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

7.8.2 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired. The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset. Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

7.9 Derecognition

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying value and is recognised in the Statement of Financial Performance.

8 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost of fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised and are charged against income as incurred, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and

- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, where applicable.

In terms of GRAP 102, intangible assets are distinguished between internally generated intangible assets and other intangible assets. It is further distinguished between indefinite or finite useful lives. Intangible assets with finite useful lives are amortised over its useful life. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised but is subject to an annual impairment test.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary asset, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Intangible assets are annually tested for impairment.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

The intangible assets under the control of the municipality are amortised according to the straight line method as follows:

Item	Useful life
Computer software, other	3 years

9. Investment property

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods and services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. The valuations are performed annually by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair values are recorded in the Statement of Financial Performance as part of the surplus and deficit.

Where the classification of an investment property is based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property and from property held for sale in the ordinary course of business:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- land held for a currently undetermined future use.
- a building owned and leased out under one or more operating leases
- leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held.
- a building that is vacant but is held to be leased out under one or more operating leases.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

10 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Performance as gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale, is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset or the disposal group.

11 Biological assets

Biological assets, which are defined as living animals or plants are recognised on the Statement of Financial Position of the municipality, if the municipality:

- Controls the asset as a result of a past event.
- Regards the inflow of future economic benefits from the use of the asset to be probable.
- Is able to measure the fair value of the asset reliably. This implies that an active market has to exist for the agricultural asset.

Biological assets are measured at fair value at each financial year end, less estimated point-of-sale costs. Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. Point-of-sale costs include commissions to brokers, levies by regulatory agencies and as well as transfer taxes and duties.

The changes in fair value less point-of-sale costs from one financial year end to the next are recognised as revenue in the Statement of Financial Performance

Item	Useful life
Trees in a plantation forest	Indefinite

12 Financial Instruments

Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

12.1 Financial Assets

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality classifies its investments in the following categories:

- Financial assets at fair value through profit or loss.
- Loans and Receivables,
- Held to maturity investments and
- Financial assets available for sale.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

12.2 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
- upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

They are subsequently measured at fair value at the statement of financial position date with the profit or loss being recognised in the Statement of Financial Performance.

12.3 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the municipality provides money, goods or services directly to a debtor without any intention of trading such debtors. Loans and debtors are included in the trade and other receivables in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

12.4 Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are included under non-current and current assets in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

12.5 Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated on initial recognition as available-for-sale and comprises of cash and equity instruments held in shares. They are included under current assets in the statement of financial position and are initially and subsequently measured at fair value at the statement of financial position date, except for investments in equity instruments that do not have quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

12.6 Impairment of financial assets

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exist that a financial asset is impaired, such as the probability of insolvency or significant financial difficulties of the debtor. If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in surplus or deficit.

An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Consumer debtors are recognised initially at cost and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The provision is made so that the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. Government accounts are not provided for as such accounts are regarded as receivable.

Other debtors consist among other of various debtors and/or suspense accounts with debit balances. These other debtors are assessed individually for impairment to ensure that no objective evidence exists that these debtors are irrecoverable. Should an individual debtor or group of debtors and or suspense account be regarded as irrecoverable, a provision for impairment is made.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account and the amount of loss is recognised in the Statement of Financial Performance. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment, at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of Available-for-Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through the Statement of Financial performance. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

12.7 Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. There are two main categories of Financial Liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- Fair value through profit or loss; or
- Other financial liabilities at amortised cost

The municipality measures all financial liabilities including trade and other payables, at amortised cost using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

12.8 Trade Payables and Other

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, which is the initial carrying amount, less repayments, plus interest.

12.9 Derecognition of financial assets and liabilities

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its

retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

13 Inventories

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. In general, the basis of determining cost is the weighted average cost of commodities.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs, if the costs occur frequently and are separately identifiable.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

When inventories are sold, distributed, written off or consumed, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised, unless that cost qualifies for capitalisation to the cost of another asset. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs

14 Revenue from exchange transactions

Revenue is derived from a variety of sources that include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the remuneration received or receivable for the sale of services or goods in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where revenue and the underlying asset (receivable) has already been recognised based on the information available at the time of the transaction and subsequently arises as to the recoverability of the receivable, an impairment loss, also known as a bad debt provision, is created and the provision is set-off against the receivables, as a provision for impairment.

Revenue is recognised as follows:

14.1 Service Charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

14.2 Pre-paid electricity

Revenue from the sale of electricity prepaid cards is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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14.3 Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

14.4 Dividends

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

14.5 Royalties

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

14.6 Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

14.7 Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with —ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to —the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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14.8 Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

14.9 Housing rental and installments

Finance income from the sale of housing by way of installment sales agreements or finance leases is recognised on a time proportion basis.

14.10 Public contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

15 Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a non-exchange transaction that meets the definition of a liability will be recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

15.1 Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable.

15.2 Fines

Fines constitute both spot fines and summonses. Fines are economic benefits or service potential received or receivable by the municipality as a consequence of the individual or entity breaching the requirements of laws or regulations. Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

When an estimate can be made for the revenue amount that is expected to be collected from spot fines based on past experience of amounts collected, this is recognized as revenue. Where a reliable estimate cannot be made, revenue from spot fines is recognized when paid by the offender. Revenue from the issuing of summonses is only recognized when notified by the public prosecutor of the amount actually collected.

15.3 Donations and Contributions

Gifts and donations are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognised as assets when the goods are received, or there is a binding arrangement to receive the goods. Conditions on a transferred asset give rise to a present obligation on initial recognition.

On initial recognition, gifts and donations (including goods in-kind) are measured at their fair value as at the date of the acquisition, which may be ascertained by reference to an active market, or by appraise.

15.4 Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

15.5 Unallocated deposits

Unallocated deposits in the municipality's bank account are temporarily posted to a separate suspense account. The balance in this account at year-end is disclosed as a creditor in the annual financial statements.

Amounts not allocated within three years are transferred to revenue under 'other income'. In the unlikely event of an amount subsequently (after three years) identified as a payment on a consumer debtor account, any re-allocation will be treated as a correction of a prior period error in terms of GRAP 3.

15.6 Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

16 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

17 Employee benefits

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— This note will be based on IAS 19 to formulate the accounting policy

— This note will not be based on GRAP 25 to formulate the accounting policy

17.1 Short-term employee benefits

The costs of all short-term employee benefits those payable within 12 months after service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) such as leave pay, are recognised during the period in which the employee renders the related service and are not discounted. The liability for leave pay is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

17.2 Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

17.3 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Municipality provides retirement benefits for its employees and councillors that includes post retirement medical aid benefits and long service awards.

17.4 Medical Aid: Continued Members

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate.

Past-service costs are recognised immediately in income, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

17.5 Actuarial Gains and Losses

Actuarial gains or losses are accounted for using the "corridor method". Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed bi-annually.

17.6 Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

17.7 Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to applicable note of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Other post retirement obligations

18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

18.1 Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the total accrued leave days owing to employees and is reviewed annually.

18.2 Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

18.3 Provision for removal of alien vegetation

At year end a provision is raised for the removal of alien vegetation. The provision is the net present value of the future cash flows of removing existing alien vegetation at year end.

~~18.4 Provision for constructive obligations (Grant-in-aid contributions)~~

~~Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.~~

~~The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:~~

- ~~• receive any goods or services directly in return, as would be expected in a purchase or sale transaction;~~
- ~~• expect to be repaid in future; or~~
- ~~• expect a financial return, as would be expected from an investment.~~

~~These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.~~

19 Leases

19.1 The Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liabilities are raised as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated

between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense on a straight-line basis (where applicable) over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. Any contingent rents are expensed in the period they are incurred.

19.2 The Municipality as Lessor

Amounts due from lessees under finance leases or installment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or installment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or installment sale agreements.

Rental income from operating leases is recognised and recorded on a straight-line basis (where applicable) over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income from leases is disclosed under revenue in the Statement of Financial Performance.

19.3 Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

20 Borrowing costs

This note will be included - Recognised as an expense

This note will not be included - Recognised as an asset

The municipality capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Financial Performance.

21 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at fair value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

22 Value Added Tax

The Municipality accounts for Value Added Tax on the cash (receipt) basis.

23 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

24 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expense was incurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

26 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was recorded. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

27 Foreign currencies

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used.

28 Comparative figures

28.1 Current year comparatives:

Budgeted amounts have, in accordance with GRAP 1, been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

28.2 Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the

adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note of the Annual Financial Statements for details of changes in accounting policies.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

30 Related parties

Key management as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

31 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

32 Budget Information

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements.

323 Standards, amendments to standards and interpretations issued but not yet effective

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The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 Segment Reporting - issued March 2005

GRAP 25 Employee Benefits

~~GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) issued February 2008~~

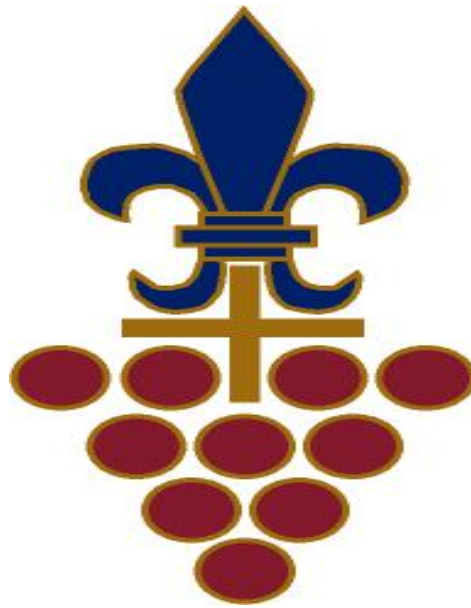
~~GRAP 24 Presentation of Budget Information in Financial Statements issued November 2007~~

~~GRAP 103 Heritage Assets issued July 2008~~

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date has not been determined yet.

Management has considered all the GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

STELLENBOSCH MUNICIPALITY



NON FINANCIAL ASSET MANAGEMENT POLICY

REVISED
2012/2013

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PREAMBLE

- Section 63 of the Municipal Finance Management Act Number 56 of 2003 governs Asset and Liability Management and states the following:

Asset and liability management

63. (1) The accounting officer of a municipality is responsible for the management 10
of—

- (a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and
- (b) the liabilities of the municipality.

(2) The accounting officer must for the purposes of subsection (1) take all reasonable 15
steps to ensure—

- (a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
- (b) that the municipality's assets and liabilities are valued in accordance with 20
standards of generally recognised accounting practice; and
- (c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

The Municipal Finance Management Act Number 56 of 2003 will be the legislative framework for the Asset Management Policy whilst Generally Recognised Accounting Practice (GRAP) will be the accounting framework.

- The Municipal Council of Stellenbosch is in terms of the MFMA and GRAP obliged to adopt an Asset Management Policy to regulate the effective management of all council's assets.
- **And whereas** the municipal manager as accounting officer of municipal funds, assets and liabilities is responsible for the effective implementation of the asset management policy which regulates the acquisition, safeguarding, maintenance of all assets and disposal of assets where the assets are no longer used to provide a minimum level of basic service as regulated in terms of section 14 of the MFMA.
- **And whereas** these assets must be protected over their useful life and may be used in the production or supply of goods and services or for administrative purposes in meeting the municipality's operational requirements.

- **Now therefore** the municipal council of the Stellenbosch Municipality adopts this asset management policy:

1. DEFINITIONS

- 1.1 **Accounting Officer** means the Municipal Manager appointed in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act no 117 of 1998) and being the head of administration and accounting officer in terms of Section 55 of the Local Government: Municipal Systems Act 2000 (Act no 32 of 2000).
- 1.2 **Agricultural Produce** is the harvested product of the municipality's biological assets.
- 1.3 **Biological Assets** are defined as living animals or plants.
- 1.4 **Capital Assets** are items of Biological Assets, Intangible Assets, Investment Property or Property, Plant and Equipment defined in this Policy and are resources controlled by the municipality as a result of past events and from which future economic benefit or service potential are expected to flow.
- 1.5 **Carrying Amount** is the amount at which an asset is recognised after deducting any accumulated depreciation (or amortisation) and accumulated impairment losses thereon.
- 1.6 **Chief Financial Officer (CFO)** means an officer of a municipality designated by the Municipal Manager to be administratively in charge of the budgetary and treasury functions.
- 1.7 **Community Assets** are defined as any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.
- 1.8 **Cost** is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction, or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

- 1.9 **Depreciable Amount** is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.
- 1.10 **Depreciation** is the systematic allocation of the depreciable amount of an asset over its useful life.
- 1.11 **Fair Value** is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.
- 1.12 **GAAP** are standards of Generally Accepted Accounting Practice.
- 1.13 **GRAP** are standards of Generally Recognised Accounting Practice.
- 1.14 **Heritage Assets** are defined as culturally significant resources. Examples are works of art, historical buildings and statues.
- 1.15 An **Impairment Loss** of a capital asset is the amount by which the carrying amount of the asset exceeds its recoverable amount.
- 1.16 **Infrastructure Assets** are defined as any asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains, transport terminals and car parks.
- 1.17 **Intangible Assets** are defined as identifiable non-monetary assets without physical substance.
- 1.18 **Investment Properties** are defined as properties (land or buildings) that are acquired for economic and capital gains. Examples are office parks and undeveloped land acquired for the purpose of resale in future years.
- 1.19 **Land and Buildings** are defined as a class of PPE when the land and buildings are held for purposes such as administration and provision of services. Land and Buildings therefore exclude Investment properties and Land Inventories.

- 1.20 **Leased Assets** are assets held under a finance lease and shall be recognised as a capital asset as the Municipality has control over such an asset even though it does not necessarily own the asset.
- 1.21 **MFMA** refers to the Local Government: Municipal Finance Management Act (Act no 56 of 2003).
- 1.22 **Municipal Valuation** means the official valuation of an immovable property as reflected in the municipality's valuation roll.
- 1.23 **Other Assets** are defined as assets utilised in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.
- 1.24 **Property, Plant and Equipment (PPE)** are tangible assets that:-
- Are held by the municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
 - Are expected to be used during more than one period.
- 1.25 **Recoverable Amount** is the higher of a cash-generating asset's net selling price and its value in use.
- 1.26 **Recoverable Service Amount** is the higher of a non-cash generating asset's fair value less cost to sell and its value in use.
- 1.27 **Residual Value** of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.
- 1.28 **Useful Life** is:-
- The period of time over which an asset is expected to be used by the municipality; or
 - The number of production or similar units expected to be obtained from the asset by the municipality's Accounting Officer.

|

2. OBJECTIVE

2.1 The MFMA was introduced with the objective of improving accounting in the municipal sector in keeping with global trends. Good asset management is critical to any business environment whether in the private or public sector.

2.2 The purpose of this Asset Management Policy is to prescribe to all custodians at the Municipality mandatory procedures for the financial and logistical management of assets, and to:

- provide a formal set of financial procedures that can be implemented to ensure that Stellenbosch Municipality's asset policies are achieved and are in compliance with the MFMA, GRAP and other related legislation;
- ensure that effective controls are communicated to management and staff through clear and comprehensive written documentation, and
- ensure that the Municipality safeguards and controls the assets of the municipality;
- optimise asset usage; and
- emphasise a culture of accountability over assets,

3. SCOPE OF THE POLICY

The Asset Management Policy shall incorporate the following:

- a) role of the accounting officer;
- b) role of the chief financial officer
- c) the acquisition of assets;
- d) recognition of assets;
- e) the maintenance of assets,
- f) asset disposals, including transfers, sales and write-offs;
- g) insurance of assets;
- h) other general procedures;

4. ACCOUNTING OFFICER

As Accounting Officer of the municipality, the Municipal Manager shall be the principal custodian of all the municipality's assets, and shall be responsible for ensuring that the Asset Management Policy and Procedures are scrupulously applied and adhered to in terms of section 63 of the Municipal Finance Management Act 2003.

The municipal manager as accounting officer is responsible for the management, safeguarding and maintenance of all assets of the municipality in the most, effective and efficient manner.

The municipal manager may delegate the responsibilities placed on him/her to any official directly accountable to him/her.

5. CHIEF FINANCIAL OFFICER

- The Chief Financial Officer shall be the capital asset registrar of the municipality and shall ensure that a complete, accurate and up-to-date electronic Asset Register is maintained.
- No amendments, deletions or additions to the Asset Register shall be made other than by the Chief Financial Officer or by an official acting under the written instruction of the Chief Financial Officer.
- The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the municipality's assets is safeguarded and is responsible to ensure that:
 - Appropriate systems of financial management and internal control are established and carried out diligently;
 - Financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;
 - Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
 - The financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;
 - The systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained at standards sufficient to satisfy the requirements of the Auditor-General;
 - Processes are established and maintained to ensure that the municipality's financial resources are optimally utilised through an appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions;
 - Directors are appropriately advised on their powers and duties pertaining to the financial administration of assets;
 - The policy and supporting procedures or guidelines are established, maintained and effectively communicated.

- When he may delegate or otherwise assign responsibilities for performing these related functions to remain accountable for ensuring these activities are performed.

6.1 Pre-Acquisition Planning

6.1.1 General

Acquisition of assets refers to the purchase of assets by buying, building (construction) or leasing.

6.1.2 Policy

Should the municipality decide to acquire a Capital Asset, the following fundamental principles should be carefully considered prior to acquisition of such an asset:

- The purpose for which the asset is required is in keeping with the objectives of the municipality and will provide significant, direct and tangible benefit to it;
- The asset meet the definition of a Capital Asset (as defined in GRAP 16, GRAP 17, GRAP 101 and GRAP 102);
- The asset has been budgeted for;
- The future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;
- The purchase is absolutely necessary as there is no alternative municipal asset that could be economically upgraded or adapted;
- The asset is appropriate to the task or requirement and is cost-effective over the life of the asset;
- The asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources;
- Space and other necessary facilities to accommodate the asset are in place; and
- The most suitable and appropriate type, brand, model, etc. has been selected.

6.1.3 Procedures and Rules

- The CFO shall ensure that the Supply Chain Management Policy makes provision for these principles.

- The CFO shall ensure that all acquired assets are appropriately insured.
- Before a capital project is included in the draft municipal budget for approval, the various directors must prove that they have considered:
 - ❑ The projected acquisition and implementation cost over all the financial years until the project is operational;
 - ❑ The future operational costs and revenue on the project, including tax and tariff implications;
 - ❑ The financial sustainability of the project over its economical life span including revenue generation and subsidization requirements;
 - ❑ The physical and financial stewardship of the asset through all stages in its economical life span including acquisition, installation, maintenance, operations, disposal and rehabilitation; and
 - ❑ The inclusion of the capital project in the Integrated Development Plans and future budgets.
- The Chief Financial Officer is accountable to ensure that the various directors receive all reasonable assistance, guidance and explanation to enable them to achieve their planning requirements.
- *Approval to Acquire Assets*
 Funds can only be invested with a capital project if:
 - ❑ They have been appropriated in the capital budget;
 - ❑ The project, together with the total project cost, has been approved by the Council;
 - ❑ The Chief Financial Officer confirms that funding is available for that specific project; and
 - ❑ Any contract that will impose financial obligations more than two years beyond the budget year is appropriately disclosed.
- *Funding of Capital Projects*
 Within the municipality's ongoing financial, legislative or administrative capacity, the Chief Financial Officer will establish and maintain the funding strategies that optimise the municipality's ability to achieve its Strategic Objectives as stated in the Integrated Development Plan.
 The following three main sources can be utilized to acquire assets, namely:

- The Capital Replacement Reserve (CRR)
- The External Financing Fund (EFF)
- Grants, Subsidies and Public Contributions

The sources of finance that may be utilised to finance assets are utilised in accordance with the provisions of S19 of the MFMA.

(a) Capital Replacement Reserve (CRR):

Council must annually approve the basis and the amounts for which contributions should be appropriated to the CRR in conjunction with the availability of funds and the requirements of the capital program for that financial year.

The funds in the CRR are accumulated by:

- an annual contribution from revenue
- the cash backed profit on the sale/disposal of assets

When an amount is advanced to a borrowing service to finance the acquisition of an asset, the money must be transferred to the accumulated surplus (CRR) created for the purpose of acquiring a specific asset and the accumulated funds in the CRR must be reduced by the amount of the advance.

The balance of the accumulated funds in the CRR will therefore represent the amount that is available to finance assets in future periods. This balance must be cash backed at all times.

(b) External Financing Fund (EFF)

When loans are obtained from external sources, they must be paid into the EFF. The corresponding cash should be invested until utilized for the purpose of acquiring assets. When the external loan is utilized

to finance assets in a service entity it should be recorded in an “advances” account in the EFF.

Where a loan has a fixed period the instalments should be calculated to determine the cash that should be set-aside in the EFF. This is done so that there will be sufficient money to repay the loan when it matures as well as any interest charges as they occur.

When the loan is an annuity loan, the cash required to be paid into the EFF should be based on the actual loan repayments. Once the money has been received by the EFF, the cash would be used to repay the loan.

When the EFF is consolidated with the various services, the “advances made” account in the EFF will contra with the “advances received” account in the various service entities.

(c) Grants, Subsidies and Public contributions (Capital Receipts)

Unutilised conditional grants are reflected on the Statement of Financial Position as a Creditor called Creditor (Unutilised Conditional Grants). They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash.

The following provisions are set for the creation and utilisation of this creditor:

- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the council's interest it is recognised as interest earned in the Statement of Financial Performance.

- Whenever an asset is purchased out of the unutilised conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unutilised Capital Receipts into the Statement of Financial Performance as revenue. Thereafter for internal management accounting purposes an equal amount is transferred on the statement of changes in equity to a reserve called a future depreciation reserve (FDR). This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unutilised Capital Receipts. The FDR is used to offset depreciation charged on assets purchased out of the Unutilised Capital Receipts to avoid double taxation of the consumers.
 - If a profit is made on the sale of assets previously purchased out of Unutilised Capital Receipts the profit on these assets sold is reflected in the notes to the Statement of Financial Performance and is then treated in accordance with budget and accounting policy.
-
- *Capitalisation of Assets*
 - ❑ Assets will only be capitalised in the asset register on completion or finalization of the project.
 - ❑ Projects to be completed over more than one financial year will be initially disclosed in the asset register and financial statements as “work in progress” thereafter only on completion the asset will be capitalised and depreciated.

6.2 Creation of New Infra structure Assets

6.2.1 General

Creation of new infrastructure assets refers to the purchase and / or construction of totally new assets that has not been in the control or ownership of the municipality in the past.

6.2.2 Policy

The cost of all new infrastructure facilities (not additions to or maintenance of existing infrastructure assets) shall be allocated to the separate assets making up such a facility and values may be used as a basis for splitting up construction costs of new infrastructure into the component parts, each of which have an appropriate useful life.

Work in progress shall be flagged as such in the asset register until such time that the facility is completed. Depreciation will commence when the construction of the asset is finalised and the asset is in the condition necessary for to operate in the manner intended by management.

Each part of an item of Infrastructure with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

6.2.3 Procedures and Rules

- The Heads of Department shall ensure that a form is completed and submitted to the Asset Control Department that includes the details of the work in progress relating to the work in progress.
- The Heads of Department shall notify the Asset Control Unit when the works have been completed and the assets can be recognised.
- The Heads of Department shall guide the service provider to submit invoices of work in progress as per the components and classification of assets as in the asset register.

6.3 Self-Constructed Assets

6.3.1 General

Self-constructed assets relate to all assets constructed by the municipality itself or another party on instructions from the municipality.

6.3.2 Policy

All assets that can be classified as assets and that are constructed by the municipality should be recorded in the asset register and depreciated over its

estimated useful life for that category of asset. Work in progress shall be flagged as such in the asset register until such time that the facility is completed. Depreciation will commence when the construction of the asset is finalised and the asset is in the condition necessary for to operate in the manner intended by management.

6.3.3 Procedures and Rules

- Heads of Department shall ensure that proper records of staff time, transport and material costs are kept such that all costs associated with the construction of these assets are completely and accurately accounted for.
- Heads of Department shall open a job card for each infrastructure project constructed by the municipality.
- On completion of the infrastructure project, the Heads of Department shall ensure that all costs (both direct and indirect) associated with the construction of the assets be summed and be capitalised to the assets that make up the project.

6.4 Donated Assets

6.4.1 General

A donated asset is an item that has been given to the municipality by a third party in government or outside government without paying or actual or implied exchange.

6.4.2 Policy

Donated assets should be valued at fair value, reflected in the asset register, and depreciated as normal assets.

6.4.3 Procedures and Rules

- All donated assets must be approved by the Municipal Manager and ratified by Council prior to acceptance.
- Management of the municipality must evaluate the future operational costs of donated assets and the effect it might have on future tariffs and taxes, before a donated asset is accepted by the municipality.

- The conditions associated with the donation must be agreed upon and signed by the Municipal Manager.
- Municipal officers must first get approval from the Municipal Manager prior to accepting any donation.

7. RECOGNITION

7.1 Classification of Capital Assets

7.1.1 General

When accounting for Capital Assets, the municipality should follow the various standards of GRAP relating to the Capital Assets. An item is recognised in the statement of financial position as a Capital Asset if it satisfies the definition and the criteria for recognition of assets. The first step in the recognition process is to establish whether the item meets the definition of an asset. Secondly, the nature of the asset should be determined, and thereafter the recognition criterion is applied. Capital Assets are classified into the following categories for financial reporting purposes:

(1) Property, Plant and Equipment (GRAP 17)

- Land and Buildings (land and buildings not held as investment and not attached to infrastructure, community, leased, housing or heritage assets)
- Infrastructure Assets (immovable assets that are used to provide basic services)
- Community Assets (resources contributing to the general well-being of the community)
- Leased Assets (assets held in terms of finance leases)
- Housing Assets (rental stock or housing stock not held for capital gain)
- Heritage Assets (culturally significant resources)
- Other Assets (ordinary operational resources)

(2) Intangible Assets (GRAP 102)

- Intangible Assets (assets without physical substance held for ordinary operational resources)
- (3) Investment Property (GRAP 16)
- Investment Assets (resources held for capital or operational gain)
- (4) Biological Assets (GRAP 101)
- Biological Assets (livestock and plants held)

When accounting for Current Assets (that is of capital nature), the municipality should follow the various standards of GRAP relating to these assets. Current Assets (with a capital nature) are classified into the following categories for financial reporting purposes:

- (5) Assets classified as Held-for-Sale (GRAP 100)
- Assets Held-for-Sale (assets identified to be sold within the next 12 months and **that is not** reclassified as Inventory Property)
- (6) Land Inventories (GRAP 12)
- Land Inventories (land or buildings owned or acquired with the intention of selling such property in the ordinary course of business)

Further asset classification has been defined in GRAP. The classifications used for infrastructure are limited and do not represent all asset types. However, these classifications are used for financial reporting consistency and should be used.

To facilitate the practical management of infrastructure assets and asset register data, infrastructure assets have been further classified.

7.1.2 Policy

The asset classification specified by GRAP shall be adhered to as a minimum standard.

7.1.3 Procedures and Rules

- The CFO shall ensure that the classifications specified by National Treasury, GRAP, and those adopted by the municipality are adhered to.
- The CFO shall inform the ~~Heads of Departments~~[Directors](#) of the classification requirements.
- Every Head of Department shall ensure that all assets under their control are classified correctly.

7.2 Identification of Capital Assets

7.2.1 General

An asset identification system is a means to uniquely identify each asset in the municipality in order to ensure that each asset can be accounted for on an individual basis. Movable assets are usually identified using a barcode system by attaching a barcode to each item. Immovable assets are usually identified by means of an accurate description of their physical location.

7.2.2 Policy

An asset identification system shall be operated and applied in conjunction with the asset register. As far as practicable, every individual asset shall have a unique identification number.

7.2.3 Procedures and Rules

- The CFO shall develop and implement an asset identification system, while acting in consultation with the ~~Heads of Departments~~[Directors](#).
- The ~~Heads of Departments~~[Directors](#) shall ensure that all the assets under their control are correctly identified.
- As far as practicable, all movable assets must be bar-coded or uniquely marked.
- Immovable assets must be identified using naming and numbering conventions that enable easy location of the assets in the field.

7.3 Initial measurement

7.3.1 General

A Capital Asset should be recognised as an asset in the financial and asset records when:

- It is probable that future economic benefits or potential service delivery associated with the item will flow to the municipality;
- The cost or fair value of the item to the municipality can be measured reliably; and
- ~~• The cost is above any municipal capitalisation threshold (if any); and~~
- The item is expected to be used during more than one financial year.

Any item that qualifies for recognition as an asset should initially be recognized at its cost, but if cost is not available initial recognition shall be at fair value.

Spare parts and servicing equipment are usually carried as inventory in terms of the Standard of GRAP on *Inventories* and recognised in surplus or deficit as consumed. However, major spare parts and stand-by equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Further guidance for the recognition of assets is provided below:

7.3.1.1 Capitalisation Threshold

~~The capitalisation threshold is a policy decision of the municipality and is the value above which assets are capitalised and reported in the financial statements as tangible or intangible capital assets as opposed to being expensed in the year of acquisition. As a result, the threshold has a significant impact on the size of the asset register and the complexity of asset management. However the capitalisation threshold is regarded as a deviation from GRAP standards and should therefore be determined annually against the municipality's materiality framework and must be determined at a level that will ensure that the municipality do not deviate materially from the requirements of GRAP 17.~~

~~The capitalisation threshold should not be applied to the components of an asset, but should be applied to the value of the capital asset as a whole. If the threshold is applied at component level, the asset register would be incomplete in the sense that an asset recorded as such would not be a complete asset.~~

~~The municipality should take the following into account when considering a capitalisation threshold:~~

- ~~• The impact of the threshold on the financial statements and the decisions/assessments the users of the financial statement may or may not make;~~
- ~~• The cost of maintaining financial and management information on assets when the threshold is very low;~~
- ~~• The impact on comparability and benchmarking cost of services may be difficult if different capitalisation thresholds are applied;~~
- ~~• The size of the municipality or the size of its service areas when setting capitalisation thresholds levels. Municipalities vary greatly in size, so what is relevant to one may be immaterial to another.~~

~~Every Head of Department shall , however, ensure that any moveable asset item with a value less than R250 and with an estimated useful life of more than one year, shall be recorded on a Minor Assets Inventory Listing. Every Head of Department shall moreover ensure that the existence of items recorded on such inventory stock lists are physically verified from time to time, and at least once in every financial year, and any amendments which are made to such inventory stock lists pursuant to such stock verifications shall be retained for audit purposes.~~

~~7.3.1.27.3.1.1~~ **Calculation of Initial Cost Price**

Only costs that comprise the purchase price and any directly attributable costs necessary for bringing the asset to its working condition should be capitalised. The purchase price exclusive of VAT should be capitalised, unless the municipality is not allowed to claim input VAT paid on purchase of such assets. In such an instance, the municipality should capitalise the cost of the asset together with VAT. Any trade

discounts and rebates are deducted in arriving at the purchase price. Listed hereunder is a list, which list is not exhaustive, of directly attributable costs:

- Purchase costs (less any discounts given)
- Costs of Employee Benefits (as defined in the applicable standard on Employee Benefits) arising directly from the construction or acquisition of the item of the Capital Asset
- Site development cost;
- Initial Delivery and Handling Costs;
- Installation Costs;
- Professional fees such as for architects and engineers;
- Import duties
- Non-refundable taxes
- Contract fees
- The Estimated Cost of Dismantling and removing the asset and restoring the site; and
- Interest Costs when incurred on a qualifying asset in terms of GRAP 5.

Administration and other overhead costs cannot be regarded as directly attributable costs and can therefore not be included in the cost price. Therefore the costs related directly to the administrative process surrounding a tender, such as the tender costs and advertisement costs, cannot be regarded as capital expenses.

The cost relating to the preliminary planning and feasibility studies of a project can only be included in the capital budget if it can be reliably measured and if it is probable that a future economic benefit or service potential will flow to the municipality. The municipality should be able to prove that the project will be undertaken and that the cost is a directly attributable cost of bringing the asset to its working condition for its intended use.

When payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognised as an interest expense over the period of credit.

7.3.1.37.3.1.2 Subsequent Expenses

Only expenses incurred on the enhancement of an asset (in the form of improved or increased services or benefits flowing from the use of such asset), or in the material extension of the useful operating life of an asset shall be capitalised.

Expenses incurred in the maintenance or reinstatement of an asset that ensures that the useful operating life of the asset is attained, shall be considered as operating expenses and shall not be capitalised, irrespective of the quantum of the expenses concerned.

7.3.1.47.3.1.3 Leased Assets

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time.

Leases are categorised into finance and operating leases:

- A Finance Lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset, even though the title may or may not eventually be transferred. Where the risks and rewards of ownership of an asset are substantially transferred, the lease is regarded as a finance lease and is recognised as a Capital Asset.
- Where there is no substantial transfer of risks and rewards of ownership, the lease is considered an Operating Lease and payments are expensed in the income statement on a systematic basis.

7.3.2 Policy

All assets shall be correctly recognised as assets and capitalised at the correct value. The capitalisation threshold will be determined annually by the municipality. All assets with values less than the capitalisation threshold and with values smaller than R250 shall be recorded in a minor assets inventory.

7.3.3 Procedures and Rules

- Every Head of Department shall ensure that all assets under their control are correctly accounted for and recognised as assets.
- The Council shall specify which kinds of leases the municipality may enter into.

- The CFO must keep a [financial](#) lease register [and the Director: Planning, Development and Property must keep a register](#) with all the information that is necessary for reporting purposes, for example, opening balance, acquisitions, disposals, transfers, depreciation, accumulated depreciation, [term](#) etc.
- Every Head of Department shall keep a timesheet system for internal staff to capture professional time spent on infrastructure projects. The time shall be priced at recognised professional fee scales and should be included in the capitalisation cost of the Capital Asset.

7.4 Subsequent measurement

7.4.1 General

After initial recognition of Property, plant and Equipment, the municipality values its assets using the cost model, unless a specific decision have been taken to revalue a certain class of assets and in such instance the PPE will be valued using the revaluation model.

When an item of PPE is revalued, the entire class of property to which that asset belongs, should be revalued.

When an asset's carrying amount is increased as a result of the revaluation, the increase should be credited to a revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

When and asset's carrying amount is decreased as a result of devaluation, the decrease should be recognised as an expense in the annual financial statements. However, the decrease shall be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

7.4.2 Procedures and Rules

- The CFO shall ensure that all Property, Plant and Equipment are correctly recorded in the asset register and revaluated (if applicable) in terms of the municipality's policies.

The following matrix will assist in distinguishing capital expenditure from maintenance expenditure:-

Capital Expenditure	Maintenance
▪ Acquiring a new asset ▪ Replacing an existing asset ▪ Further developing an existing asset so that its original useful life is extended	▪ Restoring an asset so that it can continue to be used for its intended purpose ▪ Maintaining an asset so that it can be used for the period for which it was initially intended. ▪ Enhancing an existing asset so that its use is expanded

7.5 Asset Register

7.5.1 General

An asset register is a database of information related to all the assets under the control of the municipality. The asset register consists of an inventory of all the assets, with each asset having a unique identifying number. Data related to each asset should be able to be stored in the asset register. The minimum data requirements for the asset register are as follows:

- a brief but meaningful description of each asset
- the date on which the asset was acquired or brought into use
- the location of the asset
- the department(s) or vote(s) within which the assets will be used

- the title deed number, in the case of immovable property
- the stand number, in the case of immovable property
- where applicable, the identification number
- the original cost, or the revalued amount determined in compliance with part below, or the fair value if no costs are available
- the (last) revaluation date of the assets subject to revaluation
- the revalued value of such assets
- who did the (last) revaluation
- accumulated depreciation to date
- the depreciation charge for the current financial year
- the carrying value of the asset
- the method and rate of depreciation
- impairment losses incurred during the financial year (and the reversal of such losses, where applicable)
- the source of financing
- the current insurance arrangements
- whether the asset is required to perform basic municipal services
- whether the asset has been used to secure any debt, and – if so – the nature and duration of such security arrangements
- the date on which the asset is disposed of
- the disposal price
- the date on which the asset is retired from use, if not disposed of.

Each directorate must annually issue a certificate indicating that all assets have been accounted for and checked against the asset register and a report any deviations to the accounting officer.

Assets remain in the asset register for as long as they are in physical existence or until being written off. The fact that an asset has been fully depreciated is not in itself a reason for writing-off such an asset.

The total annual depreciation as obtained from the asset register must be included as a cost in the municipal operating budget.

All assets must be depreciated over their useful life as prescribed below:

INFRASTRUCTURE ASSETS	USEFUL ASSET LIFE		USEFUL ASSET LIFE
AIRPORTS:		ROADS:	
Airports/Radio Beacons	20	Bridges, subways & culverts	30
Aprons	20	Bus terminals	20
Runways	20	Car parks	20
Taxiways	20	Motorways	20-50
ELECTRICITY:		Other roads	10
Cooling towers	30	Overhead bridges	30
Load control equipment	50	Stormwater drains	20
Mains	40-50	Street Lighting	25
Meters	50	Traffic islands	10
Power stations	30	Traffic lights	20
Supply/reticulations	20	PEDESTRIAN MALLS:	
Switchgear equipment	20	Footways	20
Transformer Kiosks	45-50	Kerbing	20
SEWERAGE:		Paving	20
Outfall sewers	60	WATER:	
Purification works	15-100	Mains	15-100
Sewerage pumps	15-50	Meters	50
Sewers	60	Reservoirs & Tanks	15-50
Sludge machines	15	Supply/reticulation	60-100

COMMUNITY ASSETS	USEFUL ASSET LIFE	USEFUL ASSET LIFE
BUILDINGS:		RECREATION FACILITIES:

Cemeteries	30	Bowling greens	20
Civic theatres	30	Floodlighting	20
Community centres / halls	30	Golf courses	20
Fire stations	30	Jukskei pitches	20
Game Reserves /	30	Lakes and dams	20
Rest Camps			
Indoor sport centres	30	Outdoor sports facilities	20
Libraries	30	Swimming pools	20
Parks	30	Tennis courts	20
Recreation centres	30	SECURITY MEASURES:	
Stadiums	30	Access control	5
		Fencing	3
		Security systems	5
OTHER ASSETS			
BINS AND CONTAINERS:		FURNITURE & FITTINGS:	
Bulk containers	10	Cabinets/cupboards	7
Household refuse bins	5	Chairs	7
BUILDINGS:		Miscellaneous	7
Caravan parks	30	Tables/desks	7
Housing schemes	30	OFFICE EQUIPMENT:	
Office buildings	30	Air conditioners	5
Workshops	30	Computer hardware	5
EMERGENCY		Computer software	3
EQUIPMENT:			
Emergency lights	5	Office machines	3
Fire fighting equipment	15	PLANT AND EQUIPMENT:	
Fire hoses	5	Conveyers	15
MOTOR VEHICLES:		Compressors	5
Aircraft	15	Communication equipment	5
Buses	15	Firearms	5
Fire engines	20	Graders	10-15
Motor cycles	3	Irrigation systems	10
Motor vehicles	5-7	Laboratory equipment	5
Trucks/bakkies	5-7	Lawnmowers	5

7.5.2 Policy

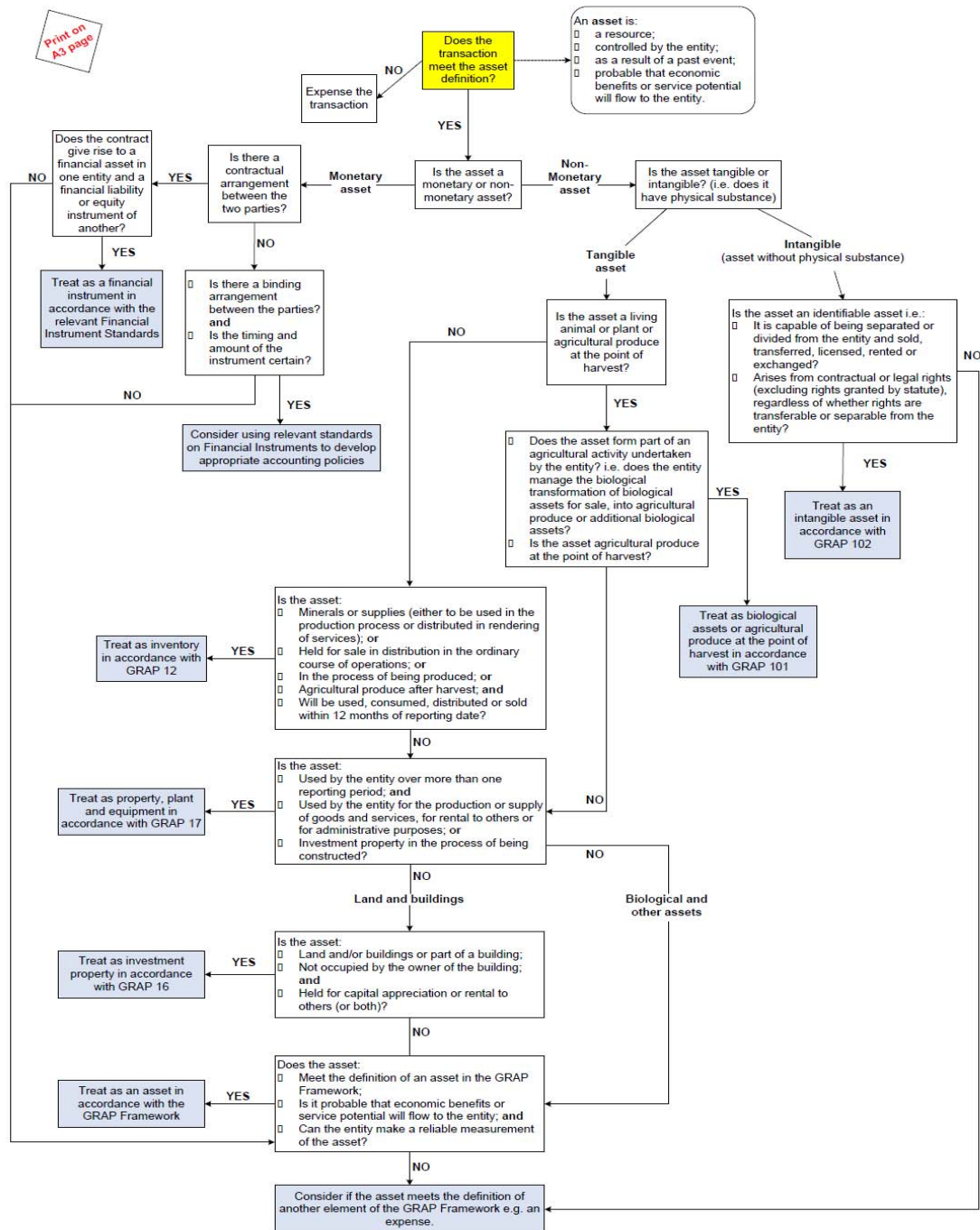
An asset register shall be maintained for all assets. In some cases, such as Investment Properties and Intangible Assets, separate asset registers will have to be maintained. The format of the register shall include the data needed to comply with the applicable accounting standards and data needed for the technical management of the assets. The asset register should be continuously updated and asset records should be reconciled to the general ledger on a monthly basis.

7.5.3 Procedures and Rules

- The CFO must define the format of the asset register in consultation with the ~~Heads of Departments~~[Directors](#) and must ensure that the asset register format complies with legislative requirements.
- The CFO must ensure that a defined process and forms exist to update and maintain the asset register.
- All ~~heads of departments~~[Directors](#) under whose control any asset falls shall provide the CFO in writing with any information required to compile the Asset Register, and shall advise the CFO in writing, within 24 hours of any material change which may occur in respect of such information.
- An asset shall be capitalised, that is, recorded in the Asset Register, as soon as it is acquired. If the asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, where after it shall be appropriately capitalised as an asset.

7.6 ASSET TYPES

The following asset decision tree shall be applied:



8.1 Property, plant and equipment: Land and Buildings

8.1.1 General

Land and Buildings comprise any land and buildings held (by the owner or by the lessee under a finance lease) by the municipality to be used in the production or supply of goods or for administrative purposes. Land held for a currently undetermined future use, should not be included in PPE: Land and Buildings, but should be included in Investment Properties. For this class of Land and Buildings there is no intention of developing or selling the property in the normal course of business.

8.1.2 Policy

Land and buildings shall be treated using the revaluation model.

Land shall be accounted for at fair value, and shall not be depreciated. Land on which infrastructure and community assets are located shall be identified separately and disclosed together with the infrastructure and community assets. Land not registered in the name of the municipality but controlled by the municipality by virtue of owner-occupied buildings thereon, shall be recognised at fair value.

Buildings shall be accounted for at fair value, less any accumulated depreciation and any accumulated impairment losses.

8.1.3 Procedures and Rules

- The CFO shall ensure that all land and buildings are correctly recorded in the asset register and revaluated in terms of the municipality's policies.
- The CFO shall ensure the recognition and measurement of *Land and Buildings* in terms of GRAP 17.

8.2 Property, plant and equipment: Infrastructure Assets

8.2.1 General

Infrastructure Assets comprise assets used for the delivery of infrastructure-based services. These assets typically include electricity, sanitation, solid waste, storm water, transport, and water assets. Many infrastructure assets form part of a greater facility, e.g. a pump in a pump station.

Level of detail of componentisation

For the technical management of infrastructure, the most effective level of management is at the maintenance item level. It is at this level that work orders can be executed and data collected. This data is useful for maintenance analysis to improve infrastructure management decision making. This level in most cases coincides with the level that meets the accounting criteria of different effective lives and materiality. However, the collection of data at this level of detail can be very costly when dealing with assets that are very numerous in nature e.g. water meters, street signs, household connections, etc. It is therefore prudent to balance the value of the information with the cost of collecting the data. The different levels of detail are shown below:

- **Level 1:** Service level (e.g. Stellenbosch Water Supply)
- **Level 2:** Network level (e.g. Stellenbosch Pump Stations)
- **Level 3:** Facility level (e.g. Blake Drift Irrigation Pump Station)
- **Level 4:** Asset type level (e.g. Mechanical Equipment in Blake Drift Irrigation Pump Station)
- **Level 5:** Component (maintenance item) level (e.g. Pump 1 in Blake Drift Irrigation Pump Station)
- **Level 6:** Spare Part level (e.g. Bearing of Pump 1 in Blake Drift Irrigation Pump Station)

The preferred level of detail for the accounting and technical management of infrastructure is level 5 above.

The compilation of a detailed infrastructure asset register in one financial term is a costly and onerous exercise. To ensure the practicality of implementing asset

registers (and asset management planning as a whole), the International Infrastructure Management Manual (IIMM) recommends the adoption of a continuous improvement process as a practical implementation approach. This approach recognises the value of limited data above no data and enables the municipalities to slowly, but steadily, increase their knowledge in the assets they own. The improvement principles of the IIMM recommend starting with complete coverage of the infrastructure types at a low level of detail (e.g. level 2 or 3) and then improving the level of detail over a period of several years, starting with the high risk assets, such as pump stations, treatment works, etc.

8.2.2 Policy

The infrastructure asset register shall ensure complete representation of all infrastructure asset types. The level of detail of componentisation shall be defined to a level that balances the cost of collecting and maintaining the data with the benefits of minimising the risks of the municipality. An improvement plan stipulating the level of detail and the timing of improvements shall be prepared. Infrastructure assets will be valued at cost less accumulated depreciation and accumulated impairment. If cost can however not be established, then infrastructure assets will be valued at depreciated replacement cost. Depreciated replacement cost is an accepted fair value calculation for assets where there is no active and liquid market. Depreciation shall be charged against such assets over their expected useful lives. The remaining useful life and residual value of, and the depreciation methods applied to infrastructure assets will be reviewed regularly, but the cost related to such reviews will be measured against benefits derived to ensure value for money. Such reviews will have to be performed at least once in a three year cycle.

Infrastructure Assets shall be recorded under the following main categories;

- Electricity;
- Water
- Roads;
- Sanitation;
- Stormwater; and
- Solid Waste.

8.2.3 Procedures and Rules

- The CFO shall define the level of detail of the infrastructure asset register in consultation with the Heads of Department.
- The CFO shall prepare an improvement process that defines the target level of detail for each infrastructure asset type with the target year of implementation in consultation with the Heads of Department.
- The CFO shall ensure that all infrastructure assets are reviewed in terms of the municipality's policies.
- The CFO shall ensure the recognition and measurement of *Infrastructure Assets* in terms of GRAP 17.

8.3 Property, plant and equipment: Community Assets

8.3.1 General

Community Assets include a variety of assets used to provide services to the community. These assets include building assets such as aquariums, cemeteries, clinics, hospitals, game reserves, museums, parks, etc. Community assets also include recreational assets such as tennis courts, swimming pools, golf courses, outdoor sports facilities, etc.

8.3.2 Policy

Community assets are valued at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives.

Community Assets shall be recorded under the following main categories;

- Recreational Facilities;
- Sporting Facilities; and
- Other Facilities.

8.3.3 Procedures and Rules

- The CFO, in consultation with the Heads of Department, shall ensure that all community assets are appropriately recorded and valued in terms of the municipality's policies.

8.4 Property, plant and equipment: Housing Assets

8.4.1 General

Housing Assets have their origin from housing units erected in terms of the Housing Act, funded from loans granted by Government and comprise of rental stock or selling stock not held for capital gain.

8.4.2 Policy

Housing assets are valued at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives.

Housing Assets shall be recorded under the following main categories;

- Rental Schemes; and
- Selling Schemes.

8.4.3 Procedures and Rules

- The CFO, in consultation with the Heads of Department, shall ensure that all housing assets are appropriately recorded and valued in terms of the municipality's policies.

8.5 Property, plant and equipment: Heritage Assets

8.5.1 General

A *Heritage Asset* is an asset that has historical, cultural or national importance and needs to be preserved. The following is a list of some typical heritage assets encountered in the municipal environment:

- Archaeological sites;
- Conservation areas;
- Historical buildings or other historical structures (such as war memorials);
- Historical sites (for example, historical battle site or site of a historical settlement);
- Museum exhibits;
- Public statues; and
- Works of art (which will include paintings and sculptures).

8.5.2 Policy

- Heritage assets are valued at cost less accumulated depreciation and accumulated impairment losses. No depreciation shall be charged against such assets. If the cost price of heritage assets is not known, then the heritage asset will be valued at fair value.
- If no original costs or fair values are available in the case of one or more or all heritage assets, the CFO may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the Asset Register without an indication of the costs or fair value concerned.

8.5.3 Procedures and Rules

- For reporting purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note in the asset register.
- The CFO, in consultation with the Heads of Department, shall ensure that all heritage assets are appropriately recorded and valued in terms of the municipality's policies.

8.6 Property, plant and equipment: Other Assets

8.6.1 General

Other Assets include a variety of assets that are of indirect benefit to the communities they serve. These assets include office equipment, furniture and fittings, bins and containers, emergency equipment, motor vehicles, plant and equipment.

8.6.2 Policy

Other Assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation shall be charged against such assets over their expected useful lives. Other assets are not revalued.

Other Assets shall be recorded under the following main categories;

- Bins and Containers;
- Emergency Equipment;
- Furniture and Fittings;
- Motor Vehicles;
- Office Equipment;
- Plant and Equipment;
- Specialised Vehicles;
- Watercraft; and
- Other Assets.

8.6.3 Procedures and Rules

- The CFO, in consultation with the Heads of Department, shall ensure that all other assets are appropriately recorded in terms of the municipality's policies.

8.7 Intangible Assets

8.7.1 General

Intangible Assets can be purchased, or can be internally developed, by the municipality and includes, but are not limited to, computer software, website development cost, ~~valuation roll~~, servitudes and mining rights.

8.7.2 Policy

Intangible Assets are stated at cost less accumulated amortisation and accumulated impairment losses. Such assets are amortised over the best estimate of the useful life of the intangible asset, except for those assets with infinite useful lives such as water rights. If an intangible asset is generated internally by the municipality, then a distinction should be made between research and development costs. Research costs should be expensed and development costs may be capitalised if all the criteria set out in GRAP 102 have been met.

8.7.3 Procedures and Rules

- The CFO, in consultation with the Heads of Department, shall ensure that all intangible assets are appropriately recorded in terms of the municipality's policies.

Investment Property

8.8.1 General

Investment Property comprise of land or buildings (or parts of buildings) or both, held by the municipality as owner, or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both. Investment property does not include property used in the production or supply of service or for administration. It also does not include property that will be sold in the normal course of business. Typical investment properties include:

- Office parks (which have been developed by the municipality itself or jointly between the municipality and one or more other parties);
- Shopping centres (developed along similar lines);
- Housing developments (developments financed and managed by the municipality itself, with the ***sole purpose of selling or letting such houses for profit***).

The classification of an investment property is based on management's judgement; the following criteria will be applied to distinguish investment properties from owner-occupied property or property held for resale:

Investment property	PPE	Non-current assets held for sale
the asset generates its own cash flows in the form of rentals (on a commercial basis)	rental income earned is below market value, and the asset is held for service delivery rather than to generate a commercial return	land and other properties held for sale within the next 12 months, if the criteria in GRAP 100 are met
the asset is held for capital appreciation	the asset is held to achieve service delivery objectives rather than to earn rental or for capital appreciation	
investment property that is being redeveloped for continued use as an	property that is being constructed or developed for future use as investment property	

investment property	(until the asset meets the definition of investment property it is accounted for as PPE)	
Land held for an undetermined use	owner occupied-property such as office buildings and residential buildings occupied by staff members (assets used by employees, irrespective of whether or not the employees pay rent at market rates, are owner-occupied)	

The judgement of the Management of Stellenbosch Municipality is that the following classes of Municipal Property will be classified as Investment Property:

- (a) Land held for long-term capital appreciation rather than for short-term sale in the ordinary course of operations which council intends to sell at a beneficial time in the future.
- (b) Land held for a currently undetermined future use.
- (c) A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases on a commercial basis.
- (d) A building that is currently vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

The judgement of the Management of Stellenbosch Municipality is that the following classes of Municipal Property will be NOT be classified as Investment Property:

- (a) Property held for sale in the ordinary course of operations or in the process of construction or development for such sale. This property is treated as inventory.
- (b) Property being constructed or developed on behalf of the Provincial Government: Housing Department.
- (c) Owner-occupied property which is defined as property which is held (by the owner or by the lessee under a finance lease) for use in the production or supply

of goods or services or for administrative purposes as per definition criteria of GRAP 17 which includes all council buildings used for administration purposes.

- (d) Property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) are also regarded to be owner-occupied property.
- (e) Property that is being constructed or developed for future use as investment property. The relevant GRAP standard on accounting for PPE (GRAP17) applies to such property until construction or development is complete, at which time the property becomes investment property and the Standard on investment property applies. However, the Standard on investment property does apply to existing investment property that is being redeveloped for continued future use as investment property.
- (f) Property that is leased to another entity under a finance lease.
- (g) Property held to provide a social service and which also generates cash inflows. For example, council holds a large housing stock (letting units) used to provide housing to low income families at below market rental. In this situation, the property is held to provide housing services rather than for rentals or capital appreciation and rental revenue generated is incidental to the purposes for which the property is held. Such property is not considered an “investment property” and would be accounted for in accordance with the GRAP standard on accounting for PPE.
- (h) Property held by council to meet service delivery objectives rather than to earn rental or for capital appreciation. In such situations the property will not meet the definition of investment property.
- (i) Where council has properties that are used both for administrative and commercial purposes and part of the properties cannot be sold separately these properties will not be classified as investment properties.

8.7.4 Policy

Investment Property shall be accounted for in terms of GRAP 16 and shall not be classified as PPE for purposes of preparing the municipality's Statement of Financial Position. Investment Property shall initially be measured at its cost. Transaction

costs shall be included in this initial measurement. Where an investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

If the Council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as PPE until it is ready for its intended use, where after it shall be reclassified as an investment asset.

After initial recognition, all investment property shall be measured at fair value. The fair value of investment property shall be determined annually at reporting date in terms of the municipality's Accounting Policy. The fair value should reflect market conditions and circumstances as at the reporting date.

8.7.5 Procedures and Rules

- The CFO shall ensure that investment assets are recorded in an Investment Property register.
- The CFO shall ensure that an appropriately qualified valuator undertake such valuations on an annual basis.
- The CFO shall ensure the recognition and measurement of *Investment Property* in terms of GRAP 16.

8.8 Biological Assets

8.9.1 General

Biological Assets are living plants and animals such as trees in a plantation or orchard, cultivated plants, sheep and cattle. **Managed agricultural activity** such as raising livestock, forestry, annual or perennial cropping, fish farming that are in the process of growing, degenerating, regenerating and / or procreating which are expected to eventually result in agricultural produce. Such agricultural produce is recognised at the point of harvest. Future economic benefits must flow to the municipality from its ownership or control of the asset.

Point-of-sale costs include commissions to brokers and dealers, levies by regulatory agencies and commodity exchanges, and transfer taxes and duties. Point-of-sale costs exclude transport and other costs necessary to get assets to the market.

Where the municipality is unable to measure the fair value of biological assets reliably, a biological asset should be measured at cost less any accumulated depreciation and accumulated impairment losses.

8.8.2 Policy

Biological assets, such as livestock and crops, shall be valued annually at fair value less estimated point-of-sales costs.

8.8.3 Procedures and Rules

- The CFO, in consultation with the Heads of Department, shall ensure that all biological assets obtained from a managed agricultural activity, such as livestock and crops, are valued at 30 June each year by a recognised valuator in the line of the biological assets concerned.
- The CFO shall ensure the recognition and measurement of *Biological Assets* in terms of GRAP 101.

8.9 Assets Classified as Held-for Sale

8.10.1 General

A non-current asset shall be classified as *Assets Held-for-Sale* if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.

For the sale to be highly probable, management must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price

that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

8.9.2 Policy

Assets identified for disposal by way of a sale transaction, be it by public auction, bidding process or sales agreement, within 12 months of the date of identification shall be classified as Assets Held-for-Sale and transferred from the home asset category to held-for-sale category. Such assets shall be measured at the lower of its carrying amount and fair value less costs to sell and is not depreciated any further upon classification as held-for-sale.

The municipality shall not classify a non-current asset that is to be abandoned as held-for-sale because its carrying amount will be recovered principally through continuing use.

8.9.3 Procedures and Rules

- The CFO shall ensure that assets held-for-sale are recorded in the asset register in the same manner as other assets, but a separate section of the asset register shall be maintained for this purpose.
- The CFO shall ensure the recognition and measurement of *Assets Held-for-Sale* in terms of GRAP 100.

8.10 Land Inventories

8.11.1 General

Land Inventories comprise any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business.

8.10.2 Policy

Inventory land and buildings shall be accounted for as inventory, and not included in either PPE or Investment Property in the municipality's Statement of Financial Position. Land Inventories shall be valued annually at reporting date at the lower of its carrying value or net realisable value, except where they are held for:

- (a) distribution at no charge or for a nominal charge, or
- (b) consumption in the production process of goods to be distributed at no charge or for a nominal charge, then they shall be measured at the lower of cost and current replacement cost.

8.10.3 Procedures and Rules

- The CFO shall ensure that land inventory properties are recorded in the Inventory Register.
- The CFO shall ensure the recognition and measurement of *Land Inventories* in terms of GRAP 12.

8.11 Minor Assets

8.12.1 General

Minor Assets comprise movable assets not capitalised in terms of the threshold policy of the municipality. However, these assets must still be controlled, safeguarded and verified by the municipality. They are not capitalised for the number of assets compared to their value does not warrant the complex procedures applicable to asset management, rendering a manageable asset register by concentrating on what is material and significant to the municipality's operation.

8.11.2 Policy

Minor assets shall be expensed in the Statement of Financial Performance and not be capitalised. However, these assets shall be bar-coded for identification purposes and recorded at cost in the Minor Asset Inventory Listing. These assets shall not be depreciated or tested for impairment and shall not generate any further transactions, except in the cases where losses are recovered by means of insurance claims or recoveries from disciplinary actions.

8.11.3 Procedures and Rules

- The CFO shall ensure that minor assets are recorded in the asset register in the same manner as other assets, but a separate section of the asset register shall be maintained for this purpose.

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9 MAINTENANCE OF ASSETS

9.1 Useful life of Assets

9.1.1 General

Useful Life of assets is defined in section 1 of the Policy and is basically the period or number of production units for which an asset can be used economically by the municipality.

National Treasury (NT) published its Local Government Asset Management Guideline in August 2008 that includes directives for useful lives of assets, but municipalities must use their own judgement based on operational experience and in consultation with specialists where necessary in determining the useful lives for the particular classes of assets. Should the municipality decide on a useful life outside the given parameters, the National Treasury (OAG) should be approached and provided with a motivation, for its agreement of the rate utilised. The calculation of useful life is based on a particular level of planned maintenance.

9.1.2 Policy

The remaining useful life of assets shall be reviewed annually. Changes emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP 3.

9.1.3 Procedures and Rules

- Heads of Department must determine the reasonable remaining useful lives of the assets under their control. Changes in remaining useful lives must be approved by the CFO.
- The CFO shall ensure that remaining useful lives, and changes thereof, are properly recorded and accounted for in the asset register and the general ledger.
- The CFO shall ensure that the *Remaining Useful Life* of an asset shall be reviewed at each reporting date.

9.2 Residual Values

9.2.1 General

The *Residual Value* of an asset is the estimated amount that the municipality would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

9.2.2 Policy

Residual values should be determined upon the initial recognition (capture) of assets. However, this will only be applicable to assets that are normally disposed of by selling them once the municipality does not have a need for such assets anymore, e.g. motor vehicles. Assets typically not sold by the municipality are infrastructure and community assets, which assets will have a residual value of zero, allowing the asset to be fully depreciated over its useful life cycle. In practice, the residual value of an asset is often insignificant and therefore immaterial in the calculation of the depreciable amount.

The residual value of assets shall be reviewed annually at reporting date. Changes in depreciation charges emanating from such reviews should be accounted for as a change in accounting estimates in terms of GRAP 3.

9.2.3 Procedures and Rules

- Heads of Department must determine the reasonable residual values of the assets under their control. Changes in residual values must be approved by the CFO.
- The CFO shall ensure that residual values, and changes thereof, are properly recorded and accounted for in the asset register and the general ledger.
- The CFO shall ensure that the *residual value* of an asset shall be reviewed at each reporting date.

9.3 Depreciation / Amortisation of Assets

9.3.1 General

Depreciation / Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciation therefore recognises the gradual exhaustion of the asset's service capacity. The depreciable amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

The depreciation method used **must** reflect the pattern in which economic benefits or service potential of a Capital Asset is consumed by the municipality. The following are the allowed alternative depreciation methods that can be applied by the municipality:

- Straight-line;
- Diminishing Balance; and
- Sum of the Units.

9.3.2 Policy

All assets, except land and heritage assets, shall be depreciated over their reasonable useful lives. The *residual value* and the *useful life* of an asset shall be reviewed at each reporting date. The depreciation method applied must be reviewed at each reporting date. Reasonable budgetary provisions shall be made annually for the depreciation of all applicable assets controlled or used by the municipality, or expected to be so controlled or used during the ensuing financial year.

Depreciation shall take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed. Depreciation of an asset should begin when the asset is ready to be used, i.e. the asset is in the location and condition necessary for it to be able to operate in the manner it is intended by management. Depreciation of an asset ceases when the asset is derecognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated. However, under certain methods of depreciation the depreciation charge can be zero while there is no production.

In the case of intangible assets being included as assets, the procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other assets.

9.3.3 Procedures and Rules

- Heads of Department must ensure that a budgetary provision is made for the depreciation of the assets under their control in the ensuing financial year.
- Heads of Department must determine the reasonable useful life of the asset classifications under their control. Deviations from the standards of useful life must be motivated in writing to the Municipal Manager and provided to the CFO.
- In the case of an asset which is not listed in the asset classification list, the Head of Department shall determine a useful operating life, in consultation with the CFO, and shall be guided in determining such useful life by the likely pattern in which the asset's economic benefits or service potential will be consumed.
- Alternative depreciation methods may be used in exceptional cases, if motivated by the Head of Department controlling the asset to the Municipal Manager and in consultation with the CFO. The Head of Department must then provide the CFO with sufficient statistical information to make estimates of depreciation expenses for each financial year.
- The CFO shall ensure that depreciation shall be up to date on a monthly basis and be reconciled between the asset register and the general ledger.
- The CFO shall ensure that the *residual value*, *useful life* and *depreciation method* of an asset shall be reviewed at each reporting date.

9.4 Impairment Losses

9.4.1 General

Impairment is the loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. For example:

- Significant decline in market value;
- Carrying amount of an asset far exceeds the recoverable amount or market value;
- There is evidence of obsolescence (or physical damage);
- The deterioration of economic performance of the asset concerned; and
- The loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (such as through inadequate maintenance).

The impairment amount is calculated as the difference between the *carrying value* and the *recoverable service value*. The recoverable service value is the higher of the asset's value in use or its net selling price. Where the recoverable service amount is less than the carrying amount, the carrying amount should be reduced to the recoverable service amount by way of an impairment loss. The impairment loss should be recognised as an expense when incurred unless the asset is carried at revalued amount.

If the asset is carried at a revalued amount (in the case of investment property, infrastructure and community assets) the impairment should be recorded as a decrease in the revaluation reserve. Where immovable property, plant and equipment surveys are conducted, the recoverable service value is determined using the depreciated replacement costs method by assessing the remaining useful life.

9.4.2 Policy

Assets shall be reviewed annually for impairment. Impairment of assets shall be recognised as an expense, unless it reverses a previous revaluation in which case it should be charged to the *Revaluation Surplus*. The reversal of previous impairment losses recognised as an expense, is recognised as an income.

9.4.3 Procedures and Rules

- The CFO, in consultation with the Heads of Department must ensure that professionally qualified valuers or other professionals with appropriate qualifications must perform annual impairment surveys.
- The CFO shall ensure that impairment losses, or reversals thereof, are properly recorded and accounted for in the asset register and the general ledger.

9.5 Maintenance of Assets in the Asset Register

9.5.1 General

Maintenance refers to all actions necessary for retaining an asset as near as practicable to its original condition in order for it to achieve its expected useful life, but excluding rehabilitation or renewal. This includes all types of maintenance – corrective and preventative maintenance.

For linear infrastructure assets, such as pipes and roads, the following test is applied to differentiate between maintenance and renewal when partial sections of linear assets are renewed:

- If a future renewal of the entire pipe will include the renewal of the partial section that is now renewed, then the renewal of the partial section is treated as maintenance.
- If a future renewal of the entire pipe will retain the partial section that is now renewed, then the renewal of the partial section is treated as renewal and the pipe is split into two separate assets.

The splitting of linear infrastructure has a data management implication, but it is the easiest method that maintains the data integrity over time.

Maintenance analysis is an essential function of infrastructure management to ensure cost-effective and sustainable service delivery. In order to analyse maintenance

data, maintenance actions undertaken against individual infrastructure assets should be recorded against such assets.

9.5.2 Policy

Maintenance actions performed on infrastructure assets shall be recorded against the individual assets that are individually identified in the asset register.

9.5.3 Procedures and Rules

- Heads of Department responsible for the control and utilisation of infrastructure assets shall monitor maintenance actions and budget for the operation and maintenance needs of each asset or class of assets under their control. Operating expenses must include all labour and material costs for the repair and maintenance of the assets. This includes both contracted services and services performed by employees.
- Heads of Department shall ensure that the operating expenses are expended against the operating budget and not the capital budget.
- The Heads of Department shall report to the Council annually of the extent to which the approved maintenance plan has been complied with and the extent of deferred maintenance.
- The Heads of Department shall report to the Council annually on the likely effects that maintenance budgetary constraints may have on the useful operating life of the infrastructure asset classes;
- The Heads of Department shall ensure that maintenance plans make provision for the additional maintenance burden of future infrastructure to be acquired.

9.6 Renewal of Assets

9.6.1 General

Asset Renewal is restoration of the service potential of the asset. Asset renewal is required to sustain service provision from infrastructure beyond the initial or original life of the asset. If the service provided by the asset is still required at the end of its useful life, the asset must be renewed. However, if the service is no longer required, the asset should not be renewed. Asset renewal projections are generally based on

forecast renewal by replacement, refurbishment, rehabilitation or reconstruction of assets to maintain desired service levels.

9.6.2 Policy

Assets renewal shall be accounted for against the specific asset. The renewal value shall be capitalised against the asset and the expected life of the asset adjusted to reflect the new asset life.

9.6.3 Procedures and Rules

- The CFO, in consultation with Heads of Department, must ensure that processes are in place to capture renewals data against specific assets and to capitalise it correctly.
- Heads of Department shall ensure that renewals expenditure are correctly budgeted for in the capital budget and expensed against this budget.
- Heads of Department must ensure that renewals expenditure data are correctly captured against the assets and the expected lives adjusted.

9.7 Replacement of Assets

9.7.1 General

This paragraph deals with the complete replacement of an asset that has reached the end of its useful life so as to provide a similar or agreed alternative level of service.

9.7.2 Policy

Assets that are replaced shall be written off at their carrying value. The replacement asset shall be accounted for as a separate new asset. All costs incurred to replace the asset shall be capitalised against the new asset.

9.7.3 Procedures and Rules

- The CFO, in consultation with Heads of Department, must ensure that processes are in place to capture replacement data against specific assets and to capitalise it correctly.

- Heads of Department shall ensure that replacement expenditure are correctly budgeted for in the capital budget and expensed against this budget.

10 ASSET DISPOSAL

When assets are sold, disposed of, transferred or purchased after approval by Council:

- the asset register must be updated; and
- the journal entries to record the sale, disposal, transfer or purchase must be processed.

Asset disposals must be in accordance with the Supply Chain Management Policy and the Asset Transfer Regulations released in September 2008.

10.1 Transfer of Assets

10.1.1 General

The processes and rules for the transfer of a capital asset to another municipality, municipal entity or national / provincial organ of state are governed by an MFMA regulation namely “the Local Government: Municipal Asset Transfer Regulations”.

Transfer of assets or inventory items refers to the internal transfer of assets within the municipality or from the municipality to another entity. Procedures need to be in place to ensure that the Asset Control Department can keep track of all assets and ensure that the fixed asset register is updated with all changes in asset locations. These procedures must be followed and apply to all transfers of assets from:

- One Department to another Department;
- One location to another within the same department;
- One building or office to another; and
- One entity to another.

10.1.2 Policy

The transfer of assets shall be controlled by a transfer process and the asset register shall be updated.

10.1.3 Procedures and Rules

- The Head of Department must ensure that whenever an asset are being transferred, all asset transfer information is captured onto the asset transfer form, completed in full and forwarded to the Accountant: Asset Management.
- The CFO must ensure that a process is in place to capture and record asset transfer data.
- Staff of the municipality, except for duly authorised staff, shall not move rented assets, such as photocopy machines.
- No person shall transfer any IT equipment without the knowledge and written consent of the IT Department.
- The Head of a Department must immediately report to the CFO of any damages caused to an asset and will be held responsible to investigate the cause or nature of such damage.
- Municipal staff required to remove equipment from the building, i.e. computer equipment, furniture, etc. for repair or any other reason need to obtain a permit from a delegate of the CFO. Failure to produce such a permit will result in the unauthorised removing of equipment.

10.2 Exchange of Assets

10.2.1 General

According to GRAP 17.33 an item of PPE may be acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets. The cost of such an item of property, plant and equipment is measured at fair value unless:

- (a) The exchange transaction lacks commercial substance; or
- (b) The fair value of neither the asset received nor the asset given up is reliably measurable.

If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

10.2.2 Policy

The cost of assets acquired in exchange for another asset shall be measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up, adjusted by the amount of any cash or cash equivalents transferred.

10.2.3 Procedures and Rules

- An item of PPE may be acquired in exchange for a similar asset that has a similar use in the same line of operations and which has a similar fair value or may be sold in exchange for an equity interest in a similar asset. No gain or loss is recognised in both cases.
- The CFO shall approve all asset exchanges in consultation with the relevant Head of Department.

10.3 Disposal of Assets

10.3.1 General

Disposal is the process of disowning redundant and obsolete assets by transferring ownership or title to another owner, which is external to the municipality.

The MFMA (sections 14 and 90) and the Municipal Supply Chain Management Regulation no 27636 have specific requirements regarding the disposal of capital assets. Specifically:

- A municipality may not ...” permanently dispose of a capital asset needed to provide the minimum level of basic municipal services”.
- Where a municipal council has decided that a specific asset is not needed to provide the minimum level of basic services, a transfer of ownership of an asset must be fair, equitable, transparent, competitive and consistent with the municipality’s supply chain management policy.

10.3.2 Policy

There are various methods of disposal. Different disposal methods will be needed for different types of assets. Before deciding on a particular disposal method, the following should be considered:

- The nature of the asset
- The potential market value
- Other intrinsic value of the asset
- Its location
- Its volume
- Its trade-in price
- Its ability to support wider Government programmes
- Environmental considerations
- Market conditions
- The asset’s life

Appropriate means of disposal may include:

- Public auction

- Public tender
- Transfer to another institution
- Sale to another institution
- Letting to another institution
- Trade-in
- Controlled dumping (for items that have low value or are unhygienic)

Alienated assets shall be written-off in the asset register.

10.3.3 Procedures and Rules

- Every ~~Director~~Head of Department shall report in writing to the CFO ~~annually on 31 October and 30 April of each financial year~~ on all assets which they wish to alienate and the proposed method of alienation.
- The CFO shall consolidate the requests received from the various departments, and shall promptly report the consolidated information to the Municipal Manager of the municipality, recommending the process of alienation to be adopted.
- The Council shall delegate to the Municipal Manager the authority to approve the alienation of any capital asset.
- The Council shall ensure that the alienation of any capital asset takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004. The Act states that the municipality may not alienate any capital asset required to provide a minimum level of service. The municipality may alienate any other capital asset, provided the Council has considered the fair market value and the economic and community value to be received in exchange for the asset.
- Selling: Assets to be sold shall be sold in terms of paragraph 9.4 below.
- Donations: Donations may be considered as a method of alienation, but such requests must be motivated to the Municipal Manager for approval.
- Destruction: Assets that are hazardous or need to be destroyed must be identified for tenders or quotations by professional disposal agencies.

- Scrapping: Scrapping of assets that cannot be alienated otherwise may be considered as a method of alienation, but such requests must be motivated to the Municipal Manager.
- Once the assets are alienated, the CFO shall write-off the relevant assets in the asset register.
- The letting of immovable property, excluding municipal housing for officials and political office bearers, must be done at market-related tariffs, unless the relevant treasury approves otherwise. No municipal property may be let free of charge without the prior approval of the relevant treasury.
- The CFO must review, at least annually when finalising the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of municipal property to ensure sound financial planning and management.

10.4 Selling of Assets

10.4.1 General

Selling of assets refers to the public sale of municipal assets approved for alienation.

10.4.2 Policy

All assets earmarked for sale must be sold by public auction or tender and the following steps shall be followed:

- A notice of the intention of the municipality to sell the asset shall be published in a local newspaper;
- In the case of a public auction, the municipality shall appoint an independent auctioneer to conduct the auction; and
- In the case of a tender, the prescribed tender procedures of the municipality shall be followed.

Assets earmarked for sale, shall be reclassified as Assets Held-for-Sale and shall not attract any further depreciation.

Sold assets shall be written-off in the asset register.

10.4.3 Procedures

- A request for assets to be sold must be submitted to the Municipal Manager and approved by Council. The request must be accompanied by a list of assets to be sold and the reasons for sale as described in paragraph 9.3 above.
- Assets earmarked for sale shall be reclassified as Assets Held-for-Sale.
- Auctioneers may be engaged either on a quotation basis or by tender depending on the goods to be alienated.
- Bidding: Bidders are afforded the opportunity to make an offer on identifiable items. Bids are compared and the highest bidder is awarded the bid.
- Tenders: Tenders shall be invited according to the municipality's tender procedures.
- Once the assets are sold, the CFO shall write-off the relevant assets in the asset register.
- If the proceeds of the sales are less than the carrying value recorded in the asset register, such difference shall be recognised as a loss for the department or vote concerned in the Statement of Financial Performance. If the proceeds of the sales, on the other hand, are more than the carrying value of the asset concerned, the difference shall be recognised as a gain for the department or vote concerned in the statement of financial performance.
- Transfer of assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the above procedures, except that the process of alienation shall be by private treaty.

10.5 Writing-off of Assets

10.5.1 General

The write-off of assets is the process to permanently remove the assets from the asset register. Assets can be written-off after approval of the Municipal Manager of a report indicating that:

- The useful life of the asset has expired;

- The asset has been destroyed;
- The asset is outdated;
- The asset has no further useful life;
- The asset does not exist anymore;
- The asset has been sold; and
- Acceptable reasons have been furnished leading to the circumstances set out above.

10.5.2 Policy

The only reasons for writing off assets, other than the sale of such assets during the process of alienation, shall be the loss, theft, destruction, material impairment, or decommissioning of the asset in question.

10.5.3 Procedures and Rules

- Every Head of Department shall report to the CFO on 31 October and 30 April of each financial year on any assets which such Head of Department wishes to have written-off, stating in full the reason for such recommendation. The CFO shall consolidate all such reports, and shall promptly submit a recommendation to the Municipal Manager on the assets to be written off.
- An asset, even though fully depreciated, shall be written-off only on the recommendation of the Head of Department controlling or using the asset concerned, and with the approval of the Municipal Manager.
- In every instance where a not fully depreciated asset is written off with no proceeds for the asset being obtained, the CFO shall immediately debit to such department or vote the full carrying value of the asset concerned as impairment expenses.
- Assets that are replaced should be written-off and removed from the asset register.

11 INSURANCE

11.1 General

Insurance provides selected coverage for the accidental loss of the asset value. Generally, government infrastructure is not insured against disasters because relief is provided from the Disaster Fund through National Treasury.

11.2 Policy

Assets that are material in value and substance shall be insured at least against destruction, fire and theft. All municipal buildings shall be insured at least against fire and allied perils.

11.3 Procedures and Rules

- The CFO will ensure that all assets are properly insured in terms of the policy.
- The CFO shall annually determine the premiums payable by the departments or votes after having received a list of the fixed assets and insurable values of all relevant fixed assets from the ~~heads of departments~~[Directors](#) concerned.
- The risk assessment must be based on a loss probability analysis. Professional assistance must be obtained if required.
- Assets must be insured internally or externally and coverage must be based on the loss probability analysis. Contracting with regard to insurance cover must be in accordance with the Supply Chain Management Policy and the stipulations of the Municipal Finance Management Act.
- All insurance claims must be assessed by a committee of council or an official, charged with the responsibility, to determine whether the damage to the assets can be recovered from possible third parties involved.
- All insurance claims must be recorded in an insurance register.
- All outstanding insurance claims older than 90 days must be reported to the Mayoral Committee monthly.

12 GENERAL PROCEDURES

- The process of the alteration, disposal and letting of immovable assets for the purposes of the process to be followed is covered in chapter 5 of Council's

Supply Chain Policy and must be adhered to as part of the management of Council's assets.

- All assets will be recorded in an asset register by the assets control section situated in the department of the Head: Financial Services.
- The Asset Control Section must be notified **within 7 days** of any of the following possible movements which affect the status of assets entrusted to a department:-
 - new purchases;
 - donations received;
 - additions/improvements;
 - departmentally manufactured items;
 - auctions;
 - loss or damage;
 - transfers;
 - resignations.
- When a donation is received or an item is manufactured departmentally the item will be recorded in the asset register at market value or a value determined by the Head: Financial Services.
- An asset acquisition form (Annexure “B”) must be completed in full referring to the purchase date, purchase price, vote or order number, description of the asset and the location barcode by the responsible department for each item created in terms of section 13(6) and submit to the asset control section.
- The disposal of goods or material by council will take place in terms of the conditions prescribed in Section 9 of this policy subject to the following additional procedures:-
 - a) any items declared obsolete or to be written-off must be handed in at the municipal stores for safekeeping;
 - b) no items will be received by the stores or authorization be given for replacement, without a completed asset form (Annexure “A”) describing the status of the item and the reason for writing-off the item duly signed off by the applicable director;
 - c) the official in charge of the stores section must forward the asset form to the asset control section;

- d) the Chief Financial Officer or his/her nominee will circulate a list of unused items to enable departments to identify and obtain items which could be utilised by them;
- e) the Chief Financial Officer will in conjunction with internal audit compile a list of the items to be auctioned and present it to the respective directorates;
- f) the execution of the above-mentioned requirements will be subject to the following criteria:

Vehicles and Plant – The fleet manager upon technical advice may authorize the writing-off of vehicles and plant.

Computers – The head information technology services may authorise the writing-off of computer equipment.

Other items – All other items which cannot be utilised and are to be written-off, must be approved by the respective directors.

Unused items – Items which are still usable but not required by a department, must be transferred to and handed in at the municipality stores section for safekeeping.

Items reflected in the asset register will only be written-off after an approval has been obtained from the head of the department.

- All inventory or asset items lost or damaged must be reported to the asset control section, accompanied by a report explaining the nature/circumstances of lost and/or damage. A list with all inventory items and furniture per office must be attached behind the door of the office for reconciliation and verification purposes during stock taking and as a management tool.
- The replacement of an item lost or damaged must be treated as a new purchase on receipt of a completed asset acquisition form.
- Upon the termination of the services of an employee the director or his duly delegated authority must certify that all assets entrusted to the employee are in good order and handed in where required.
- The certificate produced in terms of the paragraph above must be forwarded to the human resource department which in turn will issue a pay clearance certificate to the salary section.

- Any loss of, or damage to assets allocated to an employee must be reported to the Chief Financial Officer within 48 hours after the loss or damage was detected. Damage to or loss of assets which can be ~~ascribed~~attributed to negligence must be recovered from such an employee.

SHORT TITLE

This policy will be referred to as the Asset Management Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY

TRANSFER/WRITE OFF OF ASSET

BARCODE NUMBER:.....

ASSET DISCRIPTION:.....

	FROM	TO
DEPARTMENT		
SECTION		
ROOM NUMBER		

TRANSFER: PERMANENT/ TEMPORARY

REASON:.....

ASSET CHAMPION:.....

DIRECTOR:.....

APPROVAL:

MUNICIPAL MANAGER:.....

DEPARTMENT RECEIVING ASSET:

ASSET CHAMPION:.....

DIRECTOR:.....

FOR USE BY FINANCE: ASSET SECTION

TRANSFER CAPTURED

DATE:.....

SENIOR CLERK ASSETS:.....

CHECKED:

ACCOUNTANT: ASSETS:.....

IMPORTANT:

THE FOLLOWING REQUIRE THE WRITTEN RECOMMENDATION OF THE ASSET MANAGER AND APPROVAL OF MUNICIPAL MANAGER ON THIS FORM:

1. THE TEMPORARY OR PERMANENT TRANSFER OF ALL MOVABLE ASSETS BETWEEN DEPARTMENTS.
2. THE WRITING OFF OR DISPOSAL OF OBSOLETE OR REDUNDANT ASSETS AFTER RECOMMENDATION HAS BEEN OBTAINED FROM THE FOLLOWING PERSONS:

VEHICLES

FLEET MANAGER

PLANT

RESPECTIVE DIRECTOR

COMPUTERS

MANAGER: INFORMATION TECHNOLOGY

OTHER ITEMS

RESPECTIVE DIRECTOR

NEW ASSET FORM

GENERAL INFORMATION

Type of asset to be recorded (indicate with X)

New Asset: Purchase		New Asset: Donation	
---------------------	--	---------------------	--

INFORMATION PER TRANSACTION TYPE

[illegible]

AUTHORISATION OF TRANSACTION – LINE MANAGER

Name	Signature	Title	Date

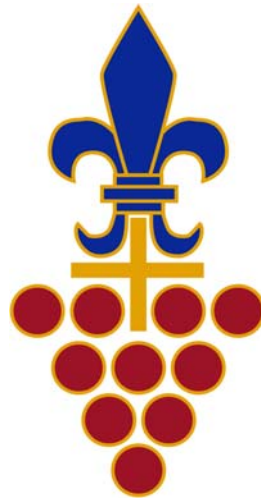
OFFICE USE ONLY - FINANCE

Date Received	Received By	Date Processed	Processed By

Remarks:

.....

STELLENBOSCH MUNICIPALITY



GRANTS-IN-AID POLICY **IN TERMS OF SECTION 67 OF THE MUNICIPAL** **FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003)**

REVISED
2012/2013

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1. AIMS AND OBJECTIVES

- 1.1 This policy aims to provide a framework for grants-in-aid to non-governmental organisations (NGO's), community-based organisations (CBO's) or non-profit organisations (NPO's) and bodies that are used by government as an agency to serve the poor, marginalised or otherwise vulnerable as envisaged by Sections 12 and 67 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- 1.2 The purpose of the Grants-in-Aid Policy is to complement the goals, objectives, programmes and actions of the Stellenbosch Municipality order to create a sustainable, credible and caring town by empowering and building communities and enhancing growth and sharing through partnerships.
- 1.3 Grants-in-Aid should not duplicate operations already provided in Council or within the jurisdiction of Council.
- 1.4 Grants-in-Aid should improve the opportunity for Council to elicit the support of external organisations to deliver those services to communities which fall within the Council's area of responsibility in a way that allows the town to create an enabling environment for community development.

2 LEGAL FRAMEWORK

- 2.1 All transfers of funds in terms of this policy shall comply with the:
 - (a) Constitution of the Republic of South Africa, 1996 as amended (Constitution);
 - (b) Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended (MSA);
 - (c) Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)(MFMA); and
 - (d) Any other applicable legislation, regulations and policies that may govern the transfer of municipal funds and that are not in contradiction to the above.

3. RESTRICTIONS

- 3.1 The Policy applies to all transfers of grants made by the Municipality.
- 3.2 The total expenditure on grants may not exceed **1%** of the operational budget of the Municipality.
- 3.3 No transfer may be made which exceeds **R20 000-00** per organisation or body, except for allocations to organisations which perform a municipal function on behalf of the Municipality. In such case, these grants will be determined annually when the Municipality's budget is approved by Council.

- 3.4 Grants-in-Aid transfers/payments shall be restricted to deserving organisations and bodies serving, especially those working with the **poor/aged/youth/disabled/women**, as per the eligible categories in 5.2, provided that such organisations or bodies:
- (a) operate as a separate legal entity and are recognised as such by South African legislation;
 - (b) are governed by their constitutions, have regular meetings with their membership and subscribe to sound accounting practices; and
 - (c) are located and serve communities and individuals who are most in need within the jurisdiction of the Municipality.
- 3.5 No Grants-in-Aid may be made ~~to for~~ any political body or religious purposes; ~~church or sectarian organisation or body.~~
- 3.6 No grants will be allocated, under this policy, to organisations or bodies in cases where a member of Council or an official of Stellenbosch Municipality receives any financial or other gain.
- 3.7 Individuals may not apply for Grants-in-Aid and no payments may be made under this policy to individuals. Council may however set aside a specific amount from which the Municipal Manager, after consultation with the Executive Mayor, may, at his/her discretion, make donations to support individual, meritorious cases in order to assist and/or recognise individual excellence in whichever field. Bursaries to individuals are treated according to the Council's Bursary Policy.
- 3.8 Funds may only be transferred to an organisation or body if provision has been made for the expenditure on the budget or appropriations budget.
- 3.9 An organisation or body is only entitled to one allocation per financial year, but disbursements can be made more often.

4 PUBLIC ADVERTISEMENT

- 4.1 The Municipal Manager must, within three months after the approval of the annual budget, place a first public advert in the main local newspapers distributed in the Stellenbosch municipal area, calling for proposals.
- 4.2 Advertisements should clearly specify the categories for which proposals are called, the closing date for applications, who they should be addressed to, and where and how to obtain the relevant documentation pertaining to such applications, including the prescribed forms. Only applications made on the prescribed forms may be considered. Advertisements should also clearly reflect the Municipality's right not to make an award, as well as the fact that awards will not be made to organisations that have received funds in the previous year but have not submitted a final audited report on the projects or previous expenditure.

- 4.3 Funds may not be transferred to any organisation or body that has not submitted a proposal in response to a public advertisement.

5 GENERAL GUIDELINES AND CATEGORIES

5.1 General Guidelines

- (a) Funding of applications will primarily be considered on an annual basis in response to the annual advertisement.
- (b) Council reserves the right not to fund an organisation two years in succession.
- (c) Funding will not be considered in the following instances:
 - (i) Where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding;
 - (ii) where in Council's opinion, an organisation receives sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and a budget for the ensuing financial year;
 - (iii) where only an individual will benefit;
 - (iv) for political, religious or ratepayers organisations/groupings;
 - (v) projects outside the boundaries of the Municipality; and
 - (vi) where expenses have already been incurred.
- (d) Funding of projects and to organisations shall exclude travel costs, subsistence, accommodation, food or entertainment expenses of any kind, staff salaries, capital costs, bursaries, payments in lieu of rates or other municipal charges, except where the transport is intended for beneficiaries/participants in the projects in question.
- (e) Subsequent requests from applicants to cover overspending on projects will not be considered.

5.2 Categories Eligible for Grants-in-Aid

The following categories currently apply. Cognisance should be taken that these categories are not exhaustive and may be amended from time to time. Other than the general guidelines and conditions set out above, categories now indicated may require specific criteria applicable to its projects/programmes:

(a) Health

Projects/programmes include the following but are not limited to:

- (i) Public Health interventions inclusive of TB, STDs and HIV/Aids;

- (ii) preventable lifestyle diseases e.g. drug/alcohol abuse, tobacco related illnesses; and
- (iii) promotive and preventative services to infants, children and women.

(b) Environment

Purpose: To stimulate the development of sustainable leisure, aesthetic and environmental projects within the municipal area; to increase the awareness of the environment by promoting “Greening of the City”; to promote swimming skills and water safety.

Projects/programmes include the following but are not limited to:

- (i) Voluntary rescue organisations;
- (ii) lifesaving clubs and swimming organisations;
- (iii) environmental groups/organisations; and
- (iv) organisations promoting community involvement as a means of sustaining leisure, aesthetic or environmental projects.
- (v) projects which further the Council's aims and the strategies of IMEP (Integrated Municipal Environmental Policy) and including but not limited to the sustainable management of:
 - riverine corridors;
 - biodiversity;
 - natural and built environment;
 - heritage resources;
 - quality urban spaces;
 - ecological conservation areas;
 - urban agricultural complexes;
 - bioregional planning;
 - nature area management;
 - Wetlands;
 - Local Agenda 21 projects;
 - Animal Welfare organisations.

(c) Solid Waste (Cleansing)

Purpose: Waste Reduction and awareness.

Projects/programmes include the following but are not limited to:

- (i) Waste reduction and awareness;

- (ii) educational programmes/projects addressing litter and waste handling; and
- (iii) waste minimisation solutions.

(d) Social Development

Purpose: The promotion of projects/programmes which stimulates the Stellenbosch Municipality's Integrated Development Plan (IDP) focusing especially on the needs of the most marginalised sectors in the greater Stellenbosch.

Projects/programmes include the following but are not limited to:

- (i) Poverty alleviation;
- (ii) urban renewal;
- (iii) capacity building of communities;
- (iv) youth development;
- (v) women and gender development;
- (vi) early childhood development;
- (vii) street people programmes;
- (viii) facilitation of public participation processes;
- (ix) arts and culture programmes
- (x) development of disabled persons; and
- (xi) development of elderly people.

(e) Sports and Recreation

Purpose: To stimulate the development of sustainable Sport and Recreation infrastructure and programmes within the municipal area especially targeting disadvantaged communities; encourage creativity and self reliance on the part of grassroots sport and recreation bodies or groups; to increase participation in sport and recreation programmes and activities.

Projects/programmes include the following but are not limited to

- (i) Local sport and recreation clubs;
- (ii) schools sports teams or athletes;
- (iii) local sport and recreation councils or associations;
- (iv) informal sport and recreation groups; and

- (v) civic, community and non-governmental organisations.

6. APPLICATION PROCEDURE

Applications and proposal for Grants-in-Aid must be on the prescribed form stated in 4.3 above, a copy of which is attached hereto as Annexure A. Applications must be accompanied by a covering letter on the letterhead of the organisation or body, signed by the head of the organisation or body and must include the following information:

- (a) The applicant's legal name and a brief description of the applicant organisation's or body's business;
- (b) if the applicant claims to be a non-profit organisation, the registration number;
- (c) the date of establishment, details of the applicant's members, founding documents, including constitution and certificates of incorporation;
- (d) a contact name, full street address, telephone number and e-mail address;
- (e) if funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget for and duration of the project;
- (f) if the request is for general support, the organisation's or body's overall budget must be included;
- (g) references, independent of the applicant and its executive;
- (h) most recent audited financial (subject to MFMA, section 67, (4)) statements;
- (i) a summary of past achievements; and
- (j) a declaration by the head of the applicant to the satisfaction of the Municipal Manager, that the organisation or body implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfers of funds.
- (k) Notwithstanding the above requirements, the CFO after considering the merits of an application not complying with the minimum application criteria and after consulting the Municipal Manager, may for the purposes of this policy approve a deviation from the norm.

7. OBLIGATIONS OF THE APPLICANT

- 7.1 The head of the organisation or body must acknowledge in writing to the Municipal Manager that the money was received in its bank account and that

the amount is/will be utilised to the benefit and in accordance with the role of the organisation or body in society. The funds should be used as outlined in the application form.

- 7.2 The organisation or body shall regularly report, if and when required but at least once a year, to the Municipal Manager regarding the activities conducted, the ward within which activities are conducted, as well as the number of people benefiting from the activities.
- 7.3 If funding is required for a specific project, a brief description of the project and what it aims to achieve, as well as the detailed budget for and duration of the project

8. RIGHTS OF THE MUNICIPALITY

- 8.1 The Municipality shall be entitled, from time-to-time, to verify and inspect the existence and activities of the organisation or body. The municipality will therefore have the right to physically visit the premises where the organisation, or the funded project, is based; to peruse the budgets and any progress reports related to the project (in contract).
- 8.2 The Municipality shall manage contracts entered into with organisations or bodies by receiving reports and doing the necessary site visits and inspections to ensure that this policy and contract are being complied with.
- 8.3 The Municipality has the right not to give a grant-in-aid to any or all organisations applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.

9. AGREEMENT

Before any funds are transferred to an organisation an agreement (Annexure B) must be concluded by the Municipal Manager with the beneficiary to protect the interest of the Municipality.

10. ADJUDICATION COMMITTEE

- 10.1 The Adjudication Committee will consist of, at least, the Municipal Manager, ~~the Deputy Municipal Manager and~~ the Chief Financial Officer and another Director of the Municipality of the Municipality; as well as any other official the Municipal Manager may wish to include.
- 10.2 The Adjudication Committee will evaluate all proposals received.
- 10.3 The Adjudication Committee will have the power to make final awards.
- 10.4 The Adjudication Committee must submit a report to the Council of the Municipality, containing particulars of each final award made, including:
 - (a) the amount of each award; and
 - (b) the name of the organisation or body to whom the award was made.

11. DEVIATION

This policy constitutes the entire framework for grants in aid and no deviation will be entertained.

12. COMMENCEMENT

The Revised Policy takes effect on the 1 July 2012 and will be reviewed annually.



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

APPENDIX A

Municipality • Umasipala • Munisipaliteit

APPLICATION FOR A GRANT-IN-AID

PLEASE COMPLETE THE FOLLOWING:

A REGISTERED NAME OF ORGANISATION:

.....

B DATE AND YEAR IN WHICH THE ORGANISATION WAS FOUNDED (INCLUDE BRIEF DESCRIPTION OF BUSINESS OR ACTIVITIES OF ORGANISATION):

.....

.....

.....

.....

C ADDRESS:

(i) Street

(ii)

Postal

.....

.....

.....

.....

.....

.....

Contact details:

Name:..... **Title/Position held:**

Tel: **Fax:** **E-mail:**

D LIST THE BOARD MEMBERS / COMMITTEE MEMBERS OF THE ORGAIZATION:

Name and Surname:

Position:.....

Contact Adress and tel no:.....

Name and Surname:

Position:.....

Contact Adress and tel no:.....

	Name and Surname: Position:..... Contact Address and tel no:..... Name and Surname: Position:..... Contact Address and tel no:..... Name and Surname: Position:..... Contact Address and tel no:..... Name and Surname: Position:..... Contact Address and tel no:.....
D	INDICATE IN WHICH WARD THE ORGANISATION IS ACTIVE: Ward Is the organisation a non-profit organisation? ☐ Yes ☐ No If yes, registration number: (attach copy of registration certificate or proof of other affiliation where applicable) Is funding required for a specific project? ☐ Yes ☐ No If yes, attach details separately. Budget amount of projects: Duration of project: Is funding required for general support? ☐ Yes ☐ No If yes, attach a copy of the organisation's overall budget.
E	CATEGORY Please categorise your application (mark with x): Health ☐ Environment ☐

	Solid Waste (cleansing) <input data-bbox="871 163 932 203" type="checkbox"/> Social Development <input data-bbox="871 271 932 311" type="checkbox"/> Sport and Recreation <input data-bbox="871 378 932 418" type="checkbox"/> Note: For more detail, see attached Grants-In-Aid Policy (general guidelines and categories) Please indicate the specific type of project/programme, as per the Grants-in-Aid Policy:
F	THE FOLLOWING <u>MUST</u> ACCOMPANY THIS APPLICATION: 1. A copy of the latest, financial statements, signed by the treasurer and chairperson. Financials should include a monthly income and expense statement for the past 12 months or months that the organization has been in existence. Please note that if your organization is in a position to provide audited financial statements, you should do so. 2. A copy of the Organisation's Constitution, signed and dated re acceptance. 3. A copy of a project/programme description and/or a business plan for the ensuing financial year. Including the following: • Full details of the proposal or project including its objectives, the number of people who will benefit and how the project will contribute or enhance the strategic objectives of Stellenbosch Municipality. • Commencement and completion dates of the project. • Information on the total cost of the project budget, including a breakdown of costs and an outline of any contribution by fundraising and/or own contribution. • A list of all other sources of funding together with the assessments. • A summary of past achievements. • References independent of the applicant and its executive. 4. A recent bank statement stamped by the bank. 5. If you have received funding from Stellenbosch Municipality in the preceding

	financial year, you need to account for the expenditure of the grant-in-aid received with your new application. 6. Proof of registration/affiliation.
G	THE FOLLOWING SHALL APPLY: 1. The allocation of a grant-in-aid will only be considered if the application document has been fully completed and signed and is accompanied by the required and supporting documentation referred to therein. 2. An applicant who has been registered as a “non profit” organisation in terms of Section 13 of the Non Profit Organisation Act, 1997, <u>must</u> submit the necessary proof thereof together with its application. 3. Applicants must in their submission clearly indicate / specify and motivate what the funds will be utilised for. 4. The grant-in-aid must be exclusively utilised for the purpose defined and the successful applicant must submit the necessary undertaking to this effect. 5. Applicants must in their submission satisfy the Council of their ability to execute the project successfully. 6. Organisations who have already received financial or other assistance from the Council during the previous financial year <u>must</u> specify same in their application. 7. No funding will be considered for political groupings, church/sectarian bodies or ratepayers organisations. 8. No funding will be considered where only an individual will benefit or where a member of Council or an official of Stellenbosch Municipality will receive any financial or other gain. 9. Projects outside the boundaries of the Council will not be considered. 10. Expenditure that will <u>not</u> be funded includes: travel costs (unless it is for the transport of beneficiaries), subsistence, accommodation, food or entertainment expenses of any kind, staff salaries including bonuses, capital costs, bursaries and payments in lieu of rates or other municipal charges. 11. Subsequent requests from applicants to cover overspending on projects will not be considered. 12. Successful applicants must at all times comply with the provisions of Section 67(1) of the Municipal Finance Management Act No. 56 of 2003 which <i>inter alia</i> stipulates that the organisation or body has to:-

	• Enter into and comply with a Memorandum of Agreement with the Municipality as well as with all reporting, financial management and auditing requirements as may be contained in such agreement. This memorandum of agreement will bind the successful applicant to deliver on what the application speaks to, but also to commit to become involved with the Neighbourhood Revitalization programme of the community where it functions. The Memorandum of Agreement will be made available to successful applicants for completion. • Report monthly on the actual expenditure of the amount allocated to it. Should monthly allocations be made.
13.	The Council reserves the right not to give a grant-in-aid to any or all organisations applying for grants. Having been awarded a grant previously does not give an applicant the right to receive a grant again.
14.	Funding will not be considered where a project or organisation is already receiving funds from Council in terms of Council's functions. Applicants are required to disclose other sources of funding, failing which such applicant will be disqualified.
15.	Funding will not be considered where in Council's opinion, an organisation received sufficient funds from other sources to sustain its activities or the project applied for. For this purpose, organisations must submit financial statements and budget for the ensuing financial year.
16.	Organisations having received funding from Stellenbosch Municipality during the previous financial year, are required to attached to any new application, a copy of the financial statements relating to the year in which the funding was received from Council, as required in terms of Section 17 of the Non-profit Organisation Act, 1997 and section 67(1) of the Municipal Finance Management Act, 2003 (MFMA).
17.	Funding will not be considered where expenses have already been incurred on a project by the applicant. (The Council's Grants-in-Aid Policy must be consulted for the sake of completeness)

H	UNDERTAKING: I/We hereby verify that the information provided in this application is true and correct and that the conditions applicable to the allocation of a grant-in-aid as set out above have been read, understood and will be complied with. I/We also declare that the organisation implements effective, efficient and transparent financial management and internal control mechanisms to guard against fraud, theft and financial mismanagement and has in the past complied with requirements for similar transfer(s) of funds. This completed and signed at Stellenbosch on thisday of20.... _____ Chairperson / Authorised Representative _____ Secretary / Duly Authorised Signatory
I	PLEASE TAKE NOTE: (i) That <u>completed</u> application forms together with all the required documentation must be mailed to: Director: Community Services (For attention: Mrs M Aalbers) P O Box 17 Stellenbosch 7599 Or delivered to: 2nd Floor, Ecclesia Building Plein Street Stellenbosch 7600 (ii) That the closing date for the submission of applications is:20...at 16:30. (iii) That neither late nor incomplete applications shall be considered.

MEMORANDUM OF AGREEMENT

Entered into and between

STELLENBOSCH MUNICIPALITY

(hereafter called the "**MUNICIPALITY**")

Herein represented by, in his/her capacity
as MUNICIPAL MANAGER, being duly authorised

and

.....

(hereafter called the "**BENEFICIARY**")

Herein represented by
in his/her capacity as, being duly authorised.

WHEREAS Section 67(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA) oblige the Accounting Officer of a **MUNICIPALITY** to satisfy himself that, before transferring funds of the **MUNICIPALITY** to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, that such organisation or body:-

- (a) has the capacity and has agreed-
 - (i) to comply with any agreement with the **MUNICIPALITY**;
 - (ii) for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
 - (iii) to report to at least monthly to the Accounting Officer on actual expenditure against such transfer (should transfers be done on a monthly basis); and
- (b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement; and
- (c) has in respect of previous similar transfers complied with all the requirements as set out above; and
- (d) give permission to site visits done by the **MUNICIPALITY**.

WHEREAS the **MUNICIPALITY** has approved a Grants-in-Aid Policy, in terms whereof applications are considered;

WHEREAS the **BENEFICIARY** has applied for a grant-in-aid as per the official grant-in-aid application form; and

WHEREAS the **MUNICIPALITY** has approved such application, subject to certain conditions;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. TRANSFER OF FUNDS

1.1 The **MUNICIPALITY** hereby undertakes to transfer an all inclusive amount of R (.....), being a donation for the period to to the **BENEFICIARY**.

1.2 Bank Account details: (The following are confirmed through a stamp banked statement of the organization.)

Account number :
Name of financial institution :
Name of account holder :
Branch code :
Type of account :

1.3 The all inclusive amount will be transferred in equal amounts on the following dates (if applicable):

2. OBLIGATIONS OF BENEFICIARY

2.1 The **BENEFICIARY** must acknowledge in writing to the Municipal Manager that the amount(s) was(were) received in it's bank account.

- 2.2 The **BENEFICIARY** hereby certifies that the money will be utilised in accordance with the role of the organisation or society, to the benefit of the community and in accordance with the project(s) / programme(s) as indicated in the application form.
- 2.3 The **BENEFICIARY** undertakes to regularly report on a monthly basis to the Municipal Manager regarding the activities conducted, actual expenditure against such transferred funds, as well as the number of people benefiting from the activities should monthly payments be made. If not, an annual report on the expenditure will be provided.
- 2.4 The **BENEFICIARY** further undertakes to submit an audited financial statement for its financial year to the Municipal Manager by not later than.....

3. **SPECIFIC CONDITIONS**

- 3.1 The parties specifically agree on the following:

That the organization will commit to active involvement in the Neighbourhood Revitalization programme of the **MUNICIPALITY** in the area of operation of the organization when such a programme is active in the community.

Other conditions:

.....
.....
.....

4. **DECLARATION OF INTEREST**

The beneficiary declares that the following municipal employees and/or councillors have a vested interest in the business of the beneficiary. However, they do not benefit directly from this donation and were not part of the decision making process in the allocation of the donations: (Name and designation)

.....
.....

5. **ACQUISITION OF ASSETS**

- 5.1 Should the **BENEFICIARY** wish to acquire any moveable or immovable assets with the money donated in terms of this Agreement, the **BENEFICIARY** hereby undertakes to:-

- 5.1.1 adhere to the principles as per the **MUNICIPALITY'S** Supply Chain Management Policy, and
- 5.1.2 take all reasonable steps to ensure that such assets are maintained and that a system of internal control of such assets is in place.

6. RIGHTS OF THE MUNICIPALITY

- 6.1 The **MUNICIPALITY** shall be entitled, from time to time, to verify the existence and to inspect the activities of the **BENEFICIARY**, having regards for its right to privacy as entrenched in terms of the Constitution of the Republic of South Africa..
- 6.2 The **MUNICIPALITY** shall further be entitled to peruse the budgets and any progress reports related to the project / programme as per this Agreement.

7. FAILURE TO COMPLY

- 7.1 Failure by the **BENEFICIARY** to comply with the obligations as set out in Clause 2 of this Agreement, may lead to the cancellation of this Agreement, in which case the **MUNICIPALITY** may demand that the organisation pays back any unspent funds as per this Agreement. The **MUNICIPALITY** may even, depending on the circumstances leading to the non-compliance by the **BENEFICIARY**, demand that the organisation pays back the full amount paid to the **BENEFICIARY**.

8. INDEMNIFICATION

- 8.1 The **BENEFICIARY** hereby acknowledges that it receives the grant voluntarily and that it shall keep the **MUNICIPALITY** indemnified at all times against any loss, cost, damage, injury or liability suffered by the **MUNICIPALITY** resulting from any action, proceeding or claim made by any person (including themselves) against the **MUNICIPALITY** caused directly or indirectly by the use/spending of the grant.

9. DISPUTE RESOLUTION

- 9.1 Any dispute arising from this Agreement shall be mediated between the Parties by a mutually agreed upon and suitably skilled mediator. Should the mediator be unsuccessful and the Parties fail to reach agreement, the dispute may be referred by the aggrieved Party to the arbitration of a single arbitrator, to be agreed upon between the Parties, or failing agreement, to be nominated on the application of any Party, by the President for the time being of the South African Association of Arbitrators. The decision of the single arbitrator shall be final and binding on the Parties.

10. NOTICES AND DOMICILIA

10.1 The parties choose as their *domicilia citandi et executandi* their respective addresses as set out in this clause for all purposes arising out of or in connection with the agreement at which addresses all processes and notices arising out of or in connection with this Agreement, its breach or termination, may validly be served upon or delivered to the Parties.

10.2 For purposes of this Agreement the Parties' respective addresses shall be:

10.2.1 The **MUNICIPALITY:**

Town House
Plein Street
Stellenbosch
7600
Fax: 021 – 808 8029

10.2.2 The **BENEFICIARY:**

.....
.....
.....
.....

Fax:email address:

or at such other address of which the Party concerned may notify the other(s) in writing provided that no street address mentioned in this sub-clause shall be changed to a post office box or poste restante.

10.3 Any notice given in terms of this Agreement shall be in writing and shall-

10.3.1 if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;

10.3.2 if posted by prepaid registered post be deemed to have been received by the addressee on the 8th (eighth) day following the date of such posting;

10.3.3 if transmitted by facsimile be deemed to have been received by the addressee on the day following the date of despatch;

10.4 Notwithstanding anything to the contrary contained or implied in this Agreement, a written notice or communication actually received by one of the Parties from another, including by way of facsimile transmission, shall be adequate written notice or communication to such party.

11. ENTIRE AGREEMENT

This Agreement, including the **Grant-in-Aid policy and application form**, reflects the entire Agreement between the Parties and no variation, amendment or addendum shall be of any force and effect between the Parties unless contained in writing, signed and agreed on by both Parties.

Signed at Stellenbosch on this day of20...

.....
for the **MUNICIPALITY**

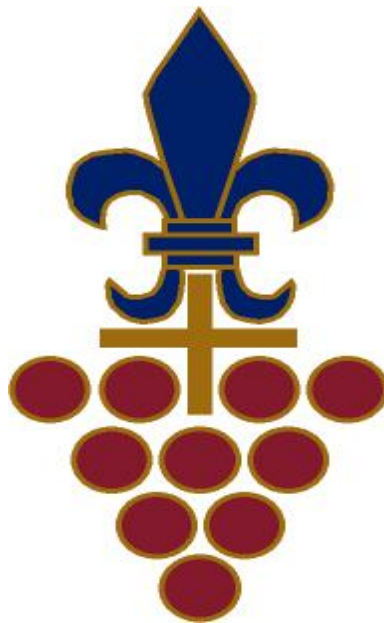
WITNESS: 1.
2.

Signed at on this day of20...

.....
for the **BENEFICIARY**

WITNESS: 1.
2.

STELLENBOSCH MUNICIPALITY



IRRECOVERABLE DEBT POLICY

UNCHANGED
2012/2013

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IRRECOVERABLE DEBT POLICY

1. Preamble

The Stellenbosch Municipal Council accepts and acknowledges its Constitutional duties and mandate towards the community/consumers of Stellenbosch Municipality (WC024).

Council further acknowledges that in order to deliver services in a sustainable manner, that same be managed in terms of Council's Credit Control and Debt Collection Policy having due regard of it's limited financial resources and the need to manage cash flows.

Council therefore are very aware of its duty to prepare financial statements that gives a true reflection of the financial position for a given period.

2. Debt associated with property ownership (rates accounts)

Debt raised for assessment rates and for the rendering of services such as refuse removal, sewerage and electricity and water availability fees/ charges, will not be written off, except in cases where a property is disposed of in a liquidation process and the proceeds do not cover the outstanding debt.

3. Metered services Debt

Debt owed to Council resulting from consumed metered services, i.e water and electricity consumption will only be regarded as irrecoverable in the following instances:

- In the event that the consumer/s is untraceable
- If the debt has prescribed
- Insolvent estates

4. Sundry Debt/ Direct Income

Debt owed to Council arising from auxiliary services rendered by Council or its agent will be regarded as irrecoverable in the following instances:

- In the event that the debtor is untraceable
- Insolvent estates

5. Requirements before writing off debt

Before any debt can be considered for writing-off, all applicable actions as contained in the approved Credit Control and Debt Collection Policy of Council must have been executed/ implemented. However, in special cases where the requirements in terms of Council's Credit Control and Debt Collection Policy were impossible to implement, the administration must motivate which other remedies were applied or actioned.

6. Other cases

The allocation of stands and or houses (low cost) with State associated funds by the applicable directorate, has in some instances resulted in debt being raised and carried on Council's financial system in the name of the intended beneficiary as per Council's records, but who never took occupation of the property for one or more of the reasons that follows herein after or for a dispute that arose and can reasonably be motivated by the applicable Director or his/her delegated official.

- Occupation taken by illegal occupants
- Failure to have informed the intended beneficiary
- Alteration of allocation not effected in council's records

7. Indigent households

The irrecoverable debt of registered indigent consumers will be written off on a bi- annual basis by Council subject to the requirements in the Indigent policy.

In a case where an indigent consumer applies/ requires a clearance certificate for the purposes of selling such property within a period of five (5) years from the date of taking transfer, all written off amounts will be recouped before transfer.

8. Bad Debt Recovered

Bad debt recovered after having been written off by Council will be treated in terms of council's Accounting Policy

9. Amounts up to R 5 000 and above R 5 000

The writing off of debt above five thousand rand (R5 000) will be effected after Council approval and the writing off of debt amounting to five thousand rand (R5 000) and below will be effected after motivation

to and approval by the Chief Financial Officer or his delegee (the latter amount is per individual case).

R 0 – R 5 000.00 Chief Financial Officer

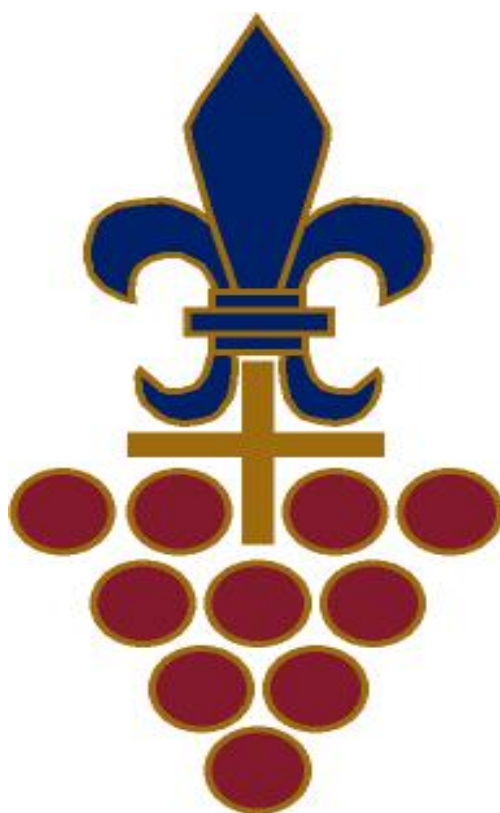
10. Provision for irrecoverable debt

Provision for bad /irrecoverable debt will be dealt with in terms of Council's Accounting Policy.

11. Meritorious Cases

Notwithstanding the framework provided in this policy for the writing off of irrecoverable debt, Council mandates the CFO or his / her delegee to consider and recommend to Council meritorious cases and provide reasons for same.

STELLENBOSCH MUNICIPALITY



TARIFF POLICY

UNCHANGED
2012/2013

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PREAMBLE

In accordance with Section 74 of the Local Government Municipal Systems Act, 2000, Stellenbosch Municipal Council must adopt and implement a tariff policy on the levying of tariffs for municipal services which complies with the provisions of the Municipal Systems Act and with any other applicable legislation.

Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality and rates on properties. Tariffs will be calculated in various ways, dependent upon the nature of the service being provided.

1. OBJECTIVE

The objective of this Tariff Policy is to ensure the following:

- a) Tariffs must conform to acceptable policy principles;
- b) Municipal services must be sustainable;
- c) Tariffs must comply with the applicable legislation; and
- d) Tariffs should take indigent consumers into consideration

2. LEGAL FRAMEWORK

The following legislation is applicable in charging tariffs for municipal services delivered:

The Constitution of the Republic of South Africa, Act 108 of 1996
Municipal Finance Management Act, Act 56 of 2003
Municipal Systems Act, Act 32 of 2000
Water Services Act, Act 108 of 1997
Electricity Regulation Act, Act 4 of 2006
Property Rates Act, Act 6 of 2004

3. TARIFF PRINCIPLES

The following principles will apply in the Stellenbosch Municipal Area of jurisdiction:

- a) Users of municipal services are treated equitably in the application of tariffs;
- b) The amount individual users pay for services are generally in proportion to their use of that service;
- c) Indigent households have access to at least basic services through:
 - (i) Special or life line tariffs for low levels of use or consumption of services or for basic levels of service; or
 - (ii) Any other direct or indirect method of subsidisation of tariffs for poor households.
 - (iii) Tariffs reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration, replacement costs and interest charges;
- d) Tariffs are set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned. A service is financially sustainable when it is provided in a manner that would ensure it's financing from internal and external sources is sufficient to cover the costs of the initial capital expenditure required, operating the service, maintaining, repairing and replacing the physical assets used in its provision;
- e) Provision is made in appropriate circumstances for a surcharge or a rebate on the tariff for a service;

- f) Provision is made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
- g) The economical, efficient and effective use of resources, the recycling of waste and other appropriate environmental objectives are encouraged; and
- h) The extent of subsidization of tariffs for poor households and other categories of users are fully disclosed.

It is further stated that tariffs, rates and the employment of resources, in general, take into account the Council's IDP principles and goals.

4. CLASSIFICATION OF SERVICES

Traditionally, municipal services have been classified into four groups based on how they are financed. The four groups are as follows:

- | | | |
|----|---------------------|---|
| a) | Trading services | Water and Electricity Services
These services must generate a surplus which will be used to subsidize community services other than economical services |
| b) | Economical services | Refuse Removal and Sewerage Services
These services' charges must cover the cost of providing the services, i.e. it must at least break even. In the event of the latter not being possible within a period, the shortfall will be financed from Property Rates revenue |
| c) | Rates Services | The revenue from Property Rates is utilized for Rates related services. |
| d) | Housing Services | Housing Schemes
These services are ring-fenced in the Housing Development Fund and the net operating balance is set off as a contribution to/from the Housing Development Fund. |

5. CALCULATION OF TARIFFS FOR MAJOR SERVICES

5.1 Water Tariffs

Although a fairly large proportion of the water needs is supplied from own sources, water is also purchased from external suppliers, such as the City of Cape Town. The increase in water tariffs are largely influenced by the changes in CPIX, the purchase price of water and the need for financing bulk water infrastructure expansion.

Water is bought at a one-part tariff expressed in Rand per kilolitre. For this reason it is found that water tariff structures for end-users follow the same trend. In order to

manage consumption, an inclining block rate tariff structure is applied in the Stellenbosch Municipal area of jurisdiction.

The first block rate represents the life line volume of 6 kl per month, which is supplied at a rate well below cost. Losses incurred in this tariff category are recovered by contributions from the higher tariff categories, conforming to the principle of cross-subsidization.

Tariff structures for water supply are applied in the form of a sliding scale for households and a flat tariff for other consumers in the area of jurisdiction of Stellenbosch.

The following table illustrates the sliding scale for tariff charges for household consumers on monthly water consumption for the Stellenbosch Municipal Area:

Domestic :

Up to	6	kiloliters		
From	7	kiloliters	to	20 kiloliters
From	21	kiloliters	to	40 kiloliters
From	41	kiloliters	to	60 kilolitres
From	61	kilolitres		and above

Domestic Cluster:

**Up to 6 kilolitres
7 kilolitres and above**

Commercial and Industrial

A single tariff for all commercial and industrial consumers will apply.

Municipal and Domestic Leakages

A single tariff for all municipal consumption and domestic leakages will apply.

Miscellaneous and all other users

A single tariff for all other users and miscellaneous cases will apply.

MASO

A MASO tariff for the affected parties will be applied as follows:

0 to 55 kiloliters
Above

Fixed Monthly Charges

A Fixed Monthly charge will be applied to domestic, domestic cluster and other non domestic consumers.

No fixed monthly charge will be applied to Indigent Households.

Bulk Users

The following sliding scale apply to water consumption for irrigation of sports grounds of schools, irrigation of Council property by sports clubs, as well as irrigation of parks and other grounds serviced by Council's Parks and Recreation Department:

Up to	2000	kiloliters
From	2001	kiloliters

An annual availability fee is charged on properties not connected to the water network, should it be available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties.

5.2 Electricity Tariffs

In addition to general cost factors, the following is taken into account when determining a tariff structure for electricity:

- a) Electricity is supplied by a sole supplier, Eskom, and distributed by the Municipality.
- b) Minimum standards for distribution are determined nationally and must be adhered to in order to conform to both safety and continuity of supply norms.
- c) Due to the fact that a large part of the operating expenditure consists of bulk electricity purchases, tariff structures and levels are very sensitive to any change in the cost of supply by Eskom.
- d) Electricity is supplied under a distribution license, granted by the National Electricity Regulator of South Africa (NERSA) for a specific area of jurisdiction. All tariff structures and tariffs must be approved by NERSA prior to application thereof by a distributor on an annual basis.

Electricity is distributed by Stellenbosch Municipality in the towns of Stellenbosch and Franschhoek. Eskom distributes electricity in Jamestown, Raithby, Kylemore, Klappmuts and the rural areas. Drakenstein Municipality supplies electricity to Johannesburg and Pniel.

In order to manage consumption, an inclining block rate tariff structure is applied in Stellenbosch Municipal area of jurisdiction, or any part or area incorporated where due course were followed. Tariff structures are applied uniformly as follows:

- a) A Domestic Lifeline Tariff is charged to pre-paid consumers in order to promote the affordability of the service for indigent consumers and no monthly fixed charge is applied for this category of consumers. The Tariff will be applied as follows:

No Fixed Charge per month
Energy Rate (c/kWh) (<= 50kWh)
Energy Rate (c/kWh) (51 -350 kWh)

Energy Rate (c/kWh) (351-600 kWh)

Energy Rate (c/kWh) (> 600kWh)

- b) A Domestic Regular tariff is charged to other domestic consumers – on both conventional and prepaid metering systems The tariff will be applied as follows:

Fixed Charge per month

Energy Rate (c/kWh) (<= 50kWh)

Energy Rate (c/kWh) (51 -350 kWh)

Energy Rate (c/kWh) (351-600 kWh)

Energy Rate (c/kWh) (> 600kWh)

- c) A Commercial Low single energy rate tariff is applied in respect of conventional and pre-paid commercial low consumers. No fixed charge per month is applied to conventional and pre-paid low commercial consumers. The tariff will be applied as follows:

No Fixed Charge per month

Energy Rate (c/kWh)

- d) A Commercial Regular single energy rate tariff is applied in respect of conventional and pre-paid commercial regular consumers. A fixed monthly charge is also applied to both conventional and pre-paid regular commercial consumers. The tariff will be applied as follows:

Fixed Charge per month

Energy Rate (c/kWh)

- e) A single energy rate tariff is applied in respect of agricultural use, The tariff will be applied as follows:

Fixed Charge per month

Energy Rate (c/kWh)

- f) A single energy rate tariff is charged for municipal consumption for street and traffic lights and for municipal buildings.

No Fixed Charge per month

Energy Rate (c/kWh)

- g) A block inclining tariff structure is applied in respect of bulk low voltage consumers. The tariff is applied as follows;

Fixed Charge per month

Energy Rate (c/kWh)

Maximum Demand Charge (R/Amp)

Maximum Demand Charge (R/kVA)

- h) A block inclining tariff structure is applied in respect of bulk medium voltage consumers. The tariff is applied as follows;
 Fixed Charge per month
 Energy Rate (c/kWh)
 Maximum Demand Charge (R/Amp)
 Maximum Demand Charge (R/kVA)
- i) A fixed monthly tariff will apply during Summer and Winter in respect of low and medium voltage consumers. The tariff will be applied as follows:
 Demand Charge (R/KVA)
 Access Charge (R/kVA)
 Peak Energy (c/kWh)
 Standard Energy (c/kWh)
 Off- peak Energy (c/kWh)
 Reactive Energy (c/kVArh)
- j) An annual availability fee is charged to properties not connected to the electricity network, where same is available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs.

5.3 Refuse Removal Tariffs

Residential properties

Residential refuse will be removed once a week. Households are allowed 3 bags or one "Otto"-type container per week.

Refuse removal tariffs are based on a flat rate per household. Single residential properties with a plot not exceeding 250m² and a maximum building valuation of R85 000, are charged a lower rate than other residential properties.

Business and industries

Business and industry refuse are removed by means of "Otto"- type or bulk containers. Each container (size in volume) is accepted as a refuse unit at a specific tariff and number of removals per week.

5.4 Sewerage Tariffs

Residential properties

A tariff structure utilizing plot sizes is applied to allocate the sewerage costs to a specific property.

Business and industries

A tariff structure utilizing plot sizes, as well as floor areas per usage is applied to allocate the sewerage costs to a specific property.

The removal of industrial effluent is charged at a cost per kilogram removed (chemical oxygen demand).

The clearance of septic tanks is charged per 5 000 liter or part thereof.

Tariff structures for sewerage are applied uniformly in the area of jurisdiction of Stellenbosch.

6. CALCULATION OF OTHER TARIFFS

Sundry Tariffs

(a) Tariff Structure

- (i) The tariff structure as reflected in the schedule attached will be used to determine regulatory community and subsidized services.

(b) Method of calculation

- (i) Existing tariffs will be adjusted annually by adjusting the tariff that applied during the previous financial year by a percentage to recover costs where appropriate and approved by the majority of councillors present at the meeting where the budget is approved.
- (ii) New tariffs will be calculated based on the estimated actual cost where appropriate or to recover some costs depending on the type of community service

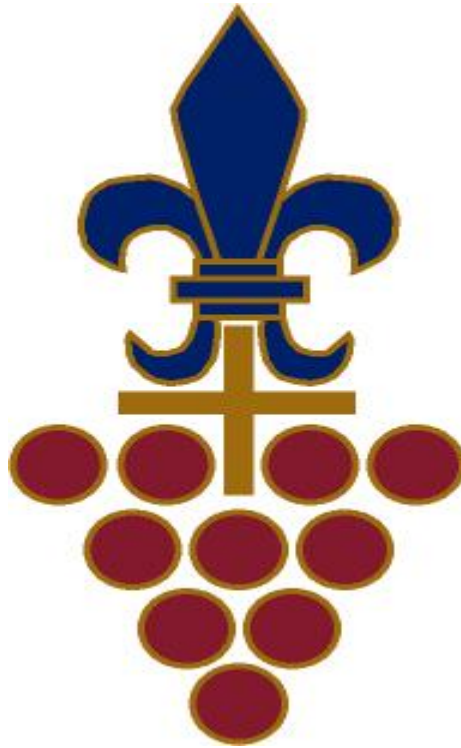
Rates tariffs

Refer to the Rates Policy and annexure dealing with the application of property taxes for the various categories of owners and properties.

7. SHORT TITLE

This policy is the Tariff Policy of the Stellenbosch Municipality.

STELLENBOSCH MUNICIPALITY



POLICY ON DEVELOPMENT CONTRIBUTIONS FOR BULK ENGINEERING INFRASTRUCTURE

UNCHANGED
2012/2013

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1. Preamble

- 1.1 The progressive realization of fundamental constitutional rights *inter alia* requires township development. Township development in turn requires the provision of engineering services.
- 1.2 Local government must ensure the provision of engineering services to communities and promote social and economic development in a sustainable manner. As a general principle local government should within budgetary constraints accept responsibility for the installation and financing of external engineering services.
- 1.3 As a general principle township developers should accept responsibility for the installation and financing of internal engineering services.
- 1.4 Local government has the discretionary power when granting development approvals to impose conditions in relation to the provision of engineering services and the payment of money which is directly related to requirements resulting from those approvals in respect of the provision of the necessary services to the land to be developed.
- 1.5 Local government must act in accordance with the law when exercising those powers.

2. Purpose of Policy

- 2.1 The adoption of policy guidelines by state organs to assist decision-makers in the exercise of their discretionary powers has long been accepted as legally permissible and eminently sensible.
- 2.2 The purpose of this policy document is first to assist and guide municipal decision-makers in:
 - the exercise of their discretionary powers when considering appropriate conditions of approval to be imposed under the Land Use Planning Ordinance;
 - their negotiations with developers relating to the payment of development contributions and the division of engineering services costs between the Municipality and Applicants; and

- the application of the calculation methods for Development Contributions as outlined in the Reports defined below.

2.3 The purpose of this policy document is also to:

- inform interested and affected parties regarding the principles and calculation methods of development contributions and the process to be followed in reaching and recording agreements in respect thereof; and
- ensure the provision of adequate engineering services and/ or payment of development contributions in respect of new developments.

3. Definitions

In this policy document, unless inconsistent with the context:

“Applicant” means a person who has applied for approval under the Ordinance and includes the person or entity implementing such an approval;

“Brownfields type Development” means development of land where all bulk services are available to serve the proposed development;

“Combined type Development” means development of land where use can be made of spare capacity in existing bulk services, and where additional bulk services are also required.

“Development Contributions” means financial contributions calculated in accordance with this policy document, which an Applicant is required to make in terms of conditions of approval imposed by the Municipality when granting approvals under the Ordinance and which relate to requirements resulting from those approvals in respect of the provision of the necessary engineering services to the land to be developed;

“Engineering Services” means services installed in the process of developing land for the provision of water, sewerage and electricity, handling of solid waste, and the building of streets, roads and stormwater drainage systems, including all related services and equipment;

“Greenfields type Development” means development of land where no bulk services are available to serve the proposed development, and completely new bulk services are required.

“Municipal Area” means the area as reflected in the map appearing in Provincial Notice 478/2000 published in Provincial Gazette Extraordinary No 5587 of 19 September 2000;

“Municipality” means the Stellenbosch Municipality (WCO24) established in terms of Provincial Notice 489 of 22 September 2000 in terms of the Local Government: Municipal Structures Act, 117 of 1998, and includes all political structures or office bearers and municipal staff members to whom authority has been delegated to take decisions under the Ordinance or to give effect to conditions of approval imposed under the Ordinance;

“Ordinance” means the Land Use Planning Ordinance, 15 of 1985 (Western Cape);

“Reports” means the so-called “Stellenbosch Development Contributions Report”, the so-called “Klapmuts Development Contributions Report” and the so-called “Stellenbosch: Levies for Bulk Electrical Services Report” as approved by the Municipality.

"Services agreement" means a written agreement concluded between an Applicant and the Municipality, and in terms of which *inter alia* the respective responsibilities of the two parties for the planning, design, provision, installation, financing and maintenance of internal and external engineering services and the standard of such services are determined.

4. Legislative Framework

- 4.1 The principle of legality enshrined in the Constitution, dictates that every one has the fundamental right to administrative action that is lawful, reasonable and procedurally fair.
- 4.2 Planning and development must take place within a dense legislative environment. Suffice it to say that included amongst the pieces of legislation that find application in this field are the Constitution of the Republic of South Africa Act, the Ordinance, the Local Government: Municipal Systems Act 32 of 2000 (MSA) and the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA).
- 4.3 In terms of the Ordinance the Municipality is empowered to impose conditions requiring the payment of Development Contributions, when granting development approvals under the Ordinance. In terms of section 42(2) of the Ordinance the Municipality is required to have regard *inter alia* to public expenditure incurred in the past or which may arise from such approvals which facilitates or will facilitate such developments, when requiring Development Contributions.
- 4.4 Section 42(2) of the Ordinance must be understood against the backdrop of the following principle enunciated in the

second Report of the Venter Parliamentary Commission of Inquiry into Housing and Related Matters, 1983:

"It is important that any formula recommended in respect of the cost of the provision of services should ensure equal treatment and that the residents of the old town should not subsidise the new township and that neither should the old town derive any benefit from the new township, unless a deliberate decision to the contrary is taken."

- 4.5 In terms of the MSA, development within the Municipality and its expenditure on engineering services infrastructure must be guided by an approved Integrated Development Plan. The Municipality is enjoined to give priority to providing basic services and improving the quality of life for all within its financial means. Therefore if an Applicant intends to develop land before the necessary bulk engineering services have been installed or where existing bulk services are inadequate to serve the proposed development, and the Municipality is not in a position to provide such at that time, the Applicant will be required as a condition of approval to fund the bulk services. In those circumstances appropriate provisions need to be incorporated in a Services Agreement relating to control over the costs of such external services and relating to the refund of reasonable costs to which the Applicant may be entitled.

5. Application of policy

- 5.1 This policy applies from date of its adoption by the Municipality to all applications for approval made in terms of the Ordinance relating to development within the Municipal Area.
- 5.2 It is trite law that where discretion has been conferred upon a public body by a statutory provision (such as section 42 of the Ordinance), such a body may lay down a general principle for its general guidance, but it may not treat this principle as a hard and fast rule to be applied invariably in every case. At most it can be only a guiding principle, in no way decisive. Every case that is presented to the public body for its decision must be considered on its merits. It follows that there may be circumstances in which it will not be appropriate to require the payment of Development Contributions whilst in other instances it may be necessary to increase or decrease the amounts payable as Development Contributions.

6. Policy approaches to development contributions

- 6.1 In terms of the so-called “Brownfields approach”, the point of departure is that the bulk services that will serve the proposed development have been funded by existing ratepayers and the Applicant should make a contribution towards those costs on a pro rata basis, based on the unit rate of usage. The value of Development Contributions must reflect the burden to date on the existing ratepayers for providing those services and not the future burden, as ratepayers in the proposed new development will share this burden and will benefit from contributions from future developments. For this reason outstanding loans in respect of the particular services are to be subtracted from the replacement value of those services when determining the amount of Development Contributions payable.
- 6.2 In terms of the so-called “Greenfields approach” the Applicant is responsible to finance the provision of all bulk engineering services, as these are specifically required for the proposed development, and the intention is that the new development should not place any financial burden on existing ratepayers. However this scenario is only fully applicable if the development is self-contained, if the development does not make use of other existing services, and other existing or future developments will not make use of these services.
- 6.3 In most cases it is necessary to partially apply a Brownfields approach and to partially apply a Greenfields Approach to a particular development application, depending on the availability and adequacy of available bulk engineering services. This can be described as a “Combined approach”. In an ideal situation, if it was practically possible, the actual engineering services required should be determined for each development, and charged to the Applicant concerned. However because this is not practically possible, use is required to be made of calculation methods derived and outlined in the Reports referred to in this policy.
- 6.4 In appropriate circumstances the Municipality may further require that an Applicant provides engineering services to a higher capacity than warranted by the development proposed, to accommodate future developments. In those circumstances and when Applicants are required to fund the provision of bulk engineering services suitable arrangements need to be incorporated in a Services Agreement relating to control over the costs of such external services and the refund (where appropriate) of costs in excess of the costs which the Applicant would have incurred if normal capacity standards were applied. Such arrangements may include the application of set-off of Development Contributions against such costs.

- 6.5 In all circumstances, where lawful development exists on the site to be redeveloped, Development Contributions should be required only to the extent that the redevelopment for which approvals are required under the Ordinance, place an additional burden on the existing bulk services infrastructure.

7. Imposition of appropriate conditions of approval

- 7.1 When the Municipality receives an application under the Ordinance, it must determine whether adequate bulk engineering services are available to serve the proposed development, whether the upgrading of such services will be required and/ or what new bulk services will have to be installed to serve the proposed development.
- 7.2 The Municipality must, when it approves an application under the Ordinance, impose appropriate conditions relating to the provision and/ or upgrading of bulk engineering services to serve the proposed development and/ or the payment of Development Contributions.
- 7.3 Such conditions may *inter alia* require the Applicant:
- in lieu of payment of Development Contributions (partially or in full), to install bulk engineering services to serve the proposed development or the area concerned to the standard as required by the Municipality; and
 - to enter into a Services Agreement with the Municipality.
- 7.4 Before submitting an application under the Ordinance to the competent municipal decision-maker, the Municipality must inform the Applicant which conditions relating to the provision of bulk engineering services and the payment of money (stating the amounts that will become due and payable) it regards as appropriate, afford the Applicant the opportunity to make representations in respect thereof and, where required, enter into negotiations with the Applicant in an attempt to avoid unnecessary appeals.
- 7.5 In the event that the Municipality and the Applicant fail to reach agreement on the amounts payable as Development Contributions, the bulk services to be provided by the Applicant or in respect of matters relating thereto, and the Municipality imposes its interpretation as a condition of approval, the Applicant shall, in addition to his right of appeal under Section 62 of the Local Government: Municipal System Act, have a right of appeal under section 44(1) of the Ordinance to the competent provincial authority.

- 7.6 The Municipality should, when imposing conditions of approval under the Ordinance, clearly stipulate when Development Contributions shall become payable (e.g. before a rates clearance certificate as contemplated in section 31(1) of the Ordinance may be issued, before approval of a site development plan or building plan, or before a certificate for occupancy is issued in terms of the building regulations).

8. Calculation of Development Contributions

8.1 Brownfields Developments.

- (i) In this scenario, sufficient existing bulk services are available and the construction of new bulk services is not required. The Applicant must, however, make a Development Contribution for his portion of the capacity of the existing services. Because it would be complicated, impractical and time-consuming to calculate this exactly for each development on a case-by-case basis, the Stellenbosch Development Contribution Report calculation method can be used, as it covers this scenario on an average basis across all the areas covered by that report, unless it would be more appropriate to adopt a different method of calculation in any particular instance.
- (ii) The calculation method employed in the Stellenbosch Development Contributions Report has *inter alia* taken into consideration the principles of the Venter Commission Report, the empowering provisions of the Ordinance, past and future infrastructure costs in terms of existing master planning, replacement value costs, existing loans and existing and future potential grants and subsidies.

8.2 Greenfields Developments.

- (i) In this scenario no bulk services are available and all bulk services still need to be constructed. The Applicant must make a Development Contribution for his portion of the capacity of the bulk services to be installed. If the development is self-contained and all bulk services are only for that development, then the actual costs thereof can be calculated, and charged to the Developer.
- (ii) Development in the Klappmuts area can be regarded as a Greenfields scenario. Therefore for that area, the method of calculation in the Klappmuts Development

Contributions Report should be used, unless it would be more appropriate to adopt a different method of calculation in any particular instance.

8.3 Combined approach.

- (i) In this scenario use can be made of spare capacity in some bulk services, but additional bulk services also need to be constructed. The Applicant must make Development Contributions for his use of the existing services and his portion of the new services.
- (ii) Because it would be complicated, impractical and time-consuming to calculate this exactly for each development on a case-by-case basis, the Stellenbosch Development Contributions Report calculation method can be used in the areas covered by that report, as it covers this scenario on an average basis across all those areas.

9. Services Agreements

Services Agreements concluded in compliance with Municipal conditions of approval imposed under the Ordinance must stipulate and record at least the following:

- The amount of Development Contributions payable;
- How escalation will be calculated on Development Contributions payable;
- Exactly when Development Contributions will become due and payable;
- What bulk engineering services the Applicant is required to construct and/ or upgrade, the standard with which such services should comply and the agreement reached relating to set-off and/ or refund of costs to be incurred by the Applicant in respect thereof.

10. Ensuring compliance

- 10.1 The Municipality may use various checkpoints /milestones to ensure that an Applicant complies with the conditions of approval with regard to the payment of Development Contributions or the provision of engineering services. The conditions of approval imposed should stipulate clearly which further approvals or clearances as may be required by the

Applicant in a given set of facts, should be used to ensure compliance.

- 10.2 Only once the Applicant has complied with such conditions of approval, whether it be in terms of an agreed phasing or the entire development, should the further approvals or clearances as may be required be given by the municipal decision-makers concerned.

11. Review

This policy document, as well as the Reports and calculation methods, will need to be reviewed periodically to ensure that they are suitably adapted to meet any new statutory and integrated planning requirements and provide for the recovery of cost increases relating to the provision of engineering services.

Annexures

- Pro forma Services Agreement
- Stellenbosch Development Contributions Report
- Klapmuts Development Contributions Report
- Stellenbosch: Levies for Bulk Electrical Services Report

Projects having future budgetary implications			Proposed Capital Budget			Total future operating cost		
Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
PLANNING AND DEVELOPMENT								
Airconditioners: General	Property Management	CRR	100 000	200 000	200 000	10 000	10 000	10 000
Structural Improvements: Historic Buildings	Property Management	CRR	300 000	300 000	300 000	10 000	15 000	20 000
New Community Hall: Klapmuts	Property Management	CRR	2 000 000	2 000 000	0	0	0	400 000
La Motte: New Clubhouse	Property Management	CRR	0	0	2 000 000.00	0	75 000	80 000
Structural Improvements: Lapland	Property Management	CRR	0	3 000 000	3 000 000	20 000	30 000	40 000
Replacement of Fencing: Watergang	Property Management	CRR	400 000	0	0	50 000	50 000	50 000
Replacement of lift in Main Building	Property Management	CRR	600 000	0	0	10 000	10 000	10 000
			3 400 000	5 500 000	5 500 000	100 000	190 000	610 000
COMMUNITY SERVICES								
Beautification of Klappmuts with Hard and Soft landscaping	Environment, Sports and facilities	CRR	-	100 000	100 000	20 000	21 200	22 468
Caretaker House	Environment, Sports and facilities	CRR	-	400 000	-	74 600	82 116	95 842
Replacement of irrigation pipelines Cloeteville	Environment, Sports and facilities	Other	100 000	-	-	0	5 000	0
Concrete bollard and installation	Environment, Sports and facilities	Other	30 000	10 000	-	0	7 500	13 500
Develop park Lanquedoc	Environment, Sports and facilities	CRR	-	200 000	-	10 000	12 500	13 500
Hardening- Off structure at Beltana Municipal Nursery	Environment, Sports and facilities	CRR	-	40 000	-	2 500	2 500	5 000
Installation of new gate at Voorgelegen Garden	Environment, Sports and facilities	Other	20 000	-	-	1 500	1 500	2 000
Beautification of Cloeteville with Hard and Soft landscaping	Environment, Sports and facilities	CRR	-	30 000	-	6 000	6 360	6 741
Jan Marais Park: Building of a Medicinal Garden	Environment, Sports and facilities	CRR	-	5 000	20 000	0	1 000	1 200
Jan Marais Park: Eco Centre IT Equipment & Equipment	Environment, Sports and facilities	Other	20 000	-	-	0	1 000	1 200
Jan Marais Park: Interpretive Signage	Environment, Sports and facilities	CRR	-	25 000	-	0	1 000	1 200
Jan Marais Park: Installation of artifical grass under play equipment	Environment, Sports and facilities	CRR	-	30 000	-	0	2 000	2 000
Jonkershoek Picnic Site: Construct additional ablution facilities	Environment, Sport & Facilities	Other	150 000	-	-	0	2 000	2 500
Jonkershoek Picnic Site: Installation of play equipment.	Environment, Sport & Facilities	CRR	-	30 000	-	0	1 750	1 750
Jonkershoek Picnic Site: Installation of water supply network.	Environment, Sport & Facilities	Other	180 000	-	-	0	2 000	2 500

Projects having future budgetary implications			Proposed Capital Budget			Total future operating cost		
Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Repairs to Kayamandi borehole	Environment, Sport and Facilities	Other	180 000	-	-	0	20 000	30 000
Installation of borehole at La Motte sport grounds	Environment, Sport and Facilities	CRR	-	-	220 000	0	5 000	6 500
Landscaping Kromme River	Environment, Sport & Facilities	CRR	-	300 000	-	0	28 700	44 000
Landscaping Rivers	Environment, Sport & Facilities	CRR	-	-	400 000	0	0	44 000
Landscaping Plankenbrug River	Environment, Sport & Facilities	CRR	-	200 000	-	24 600	28 700	44 000
Multipurpose park Cloeteville	Facilities and Sports Management	Other	80 000	500 000	-	14 600	16 200	24 000
Play Equipment	Environment, Sport & Facilities	CRR	-	80 000	-	18 000	27 200	27 500
Renovation of Eike Hall, Cloeteville	Environment sport and facilities	Other	200 000	500 000	-	10 000	60 600	36 236
Purchase of two specialized vehicles	Environment, Sport and Facilities	CRR	500 000	50 000	-	20 000	50 000	57 000
Upgrade of Kayamandi Hall	Environment sport and facilities	CRR	-	80 000	0	10 000	60 600	61 236
			1 460 000	2 580 000	740 000	211 800	446 426	545 873
PUBLIC SAFETY								
Mobile radios	Fire Services	CRR	50 000	-	-	0	20 000	20 000
Revamping of single quarters	Fire Services	CRR	50 000	-	-	0	150 000	150 000
Klapmuts satellite fire station	Fire Services	CRR	500 000	-	-	0	3 200 000	3 300 000
Rescue tools (minor)	Fire Services	CRR	50 000	-	-	20 000	0	0
			650 000	-	-	20 000	3 370 000	3 470 000
ENGINEERING SERVICES								
Public Transport Facilities	Transport Planning	CRR	300 000	500 000	650 000	100 000	100 000	100 000
Construction of Tar Sidewalks	Transport Planning	CRR	1 250 000	300 000	300 000	30 000	30 000	30 000
Upgrade of WWTW: Klapmuts	Development Services	CDF Sewerage	1 680 000	-	-	0	0	1 500 000
Refurbishment Plant & Equipment - Raithby WWTW	Water	CRR	-	300 000	-	0	0	21 000
Upgrade Depot Facilities	Development Services	CRR	600 000	1 100 000	1 000 000	30 000	45 000	60 000
Furniture, Tools and Equipment	Development Services	CRR	50 000	50 000	150 000	2 000	2 000	2 000
Construction of Main Road - Klapmuts	Development Services	Other (PGWC discretionary - DHS)	1 600 000	-	-	0	5 000	5 000
Bulk Sewerpipe - Klapmuts	Development Services	Other (PGWC discretionary - DHS)	3 000 000	-	-	0	30 000	30 000

Projects having future budgetary implications			Proposed Capital Budget			Total future operating cost		
Project Name	Department	Funding	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Refurbish Plant & Equipment - Priel WWTW	Water Services	CRR	-	-	300 000	0	0	21 000
Crew Cabs x2: Sanitation	Water Services	CRR	710 000	750 000	750 000	347 500	372 350	398 091
6-8 Ton Tipper Truck: Water	Water Services	CRR	650 000	-	-	347 500	372 350	398 091
Upgrade Laboratory Equipment	Water Services	CRR	475 000	750 000	-	60 000	60 000	60 000
Upgrade Auto- samplers	Water Services	CRR	500 000	500 000	500 000	51 000	51 000	51 000
Bulk water supply- Jamestown	Development Services	External Loan	1 500 000	2 500 000	6 200 000	0	0	40 000
			12 315 000	6 750 000	9 850 000	968 000	1 067 700	2 716 182
Total cost			17 825 000	14 830 000	16 090 000	1 299 800	5 074 126	7 342 055